

**COMMERCIALIZATION OF THE PRINT MEDIA AND  
SELECTIVE PARTY CONTROL IN CHINA**

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## Abstract

China's print media has to fulfill political and ideological functions set by the Chinese Communist Party on the one hand and produce news that appeal to readers on the other hand. Achieving this balance is not easy. The formation of newspaper groups since the mid-1990s reflects how even party-affiliated organizations face intense market pressure to respond to what readers want to stay commercially viable.

This thesis examines the strategies used by two newspaper groups, namely, the *Southern Daily Newspaper Group* in Guangdong and *Liberation Daily Newspaper Group* in Shanghai, to appeal to readers. The central question is to examine why the former commits more serious reporting infractions than the latter. The hypothesis is that the seriousness of the reporting infractions depends on the strategies by the newspaper group towards the need to appeal to readers.

The thesis contends that committing reporting infractions is one strategy, among others, used by certain publications under the *Southern Daily Newspaper Group* to appeal to readers. As a result, the reporting infractions committed are relatively serious and appear deliberate. Conversely, the publications under the *Liberation Daily Newspaper Group* are not known to commit reporting infractions as a strategy to appeal to readers. Hence, the reporting infractions committed are relatively minor and do not appear deliberate. The thesis will further explain the reasons behind this major difference in strategy mix between the two newspaper groups.

In discussing reporting infractions, the role of the local propaganda bureaus in Shanghai and Guangdong that oversee the *Liberation Daily Newspaper Group* and *Southern Daily Newspaper Group* respectively will be mentioned. They exert selective party control over the two newspaper groups. This is obvious from their reaction to reporting infractions committed by the two newspaper groups. Rather than a one-size-fits-all type of control, the local propaganda bureaus show interesting variations in their response. It is observed that the punitive measures exerted by the local propaganda bureau in Shanghai are less onerous whereas the punitive measures exerted by the local propaganda bureau in Guangdong are more onerous.

The state-in-society model is used in this study to show that as publications of the two newspaper groups (as elements of the state) produce what readers want, the line between them and readers (as members of society) are increasingly blurred. With a stake in society, it will become more challenging for the publications to balance the demands of the party and readers. More significantly, with the publications greater dependence on readers, the local propaganda bureaus (as elements of the state) will come under increased public scrutiny in the way they oversee the newspaper groups and particularly in the punitive measures it takes against publications that flout reporting parameters. This has long-term implications for the effectiveness of the local propaganda bureaus to control the two newspaper groups. (words: approx. 39,230)

## **List of Abbreviations**

Chinese Communist Party (中国共产党)	CCP
Department of Propaganda (中共中央宣传部)	DOP
General Administration of Press and Publication (国家新闻出版总署)	GAPP
People's Republic of China (中华人民共和国)	PRC or China
Special Economic Zones (特别经济区)	SEZs
State Administration for Radio, Film and Television (国家广播电影电视总局)	SARFT

## **Chapter 1: Commercialization of the Print Media and Selective Party Control in China**

Most governments, whether they are democratic or authoritarian, place a premium on ensuring that their views and perspectives on various issues are carried in the media. This is due to the importance the media plays in shaping public opinion which could be either favorable or inimical to any regime. Often, the task of governing is made easier if public opinion is favorable, than if it is adverse, towards the regime.

In China, the preoccupation has been with how the ruling Chinese Communist Party (CCP) which assumed power in 1949 has influenced or even directed public opinion in its favor through its control of the media. Yet, the degree of control the CCP has exerted over the media, while remaining strong, has undergone subtle changes over the decades. Following Deng Xiaoping's reform and open door policy in the late 1970s and especially after Deng's Southern Tour in 1992, the commercialization of the media has made it more difficult for the party to exert control over what is carried in the media.<sup>1</sup>

On the one hand, the various media players have to devise media strategies and create products that meet market demands to stay commercially viable. On the other hand, the media players cannot ignore the political context they operate in and have to adhere to reporting parameters set by the party. In short, the media players have to tread a fine balance between the requirements of the market and the dictates of the party.

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<sup>1</sup> Commercialization here simply refers to pressures exerted by market forces on the various media players to respond to what the consumer wants rather than what the party wants.

In mass communication terms, the word “media” has been used to describe various channels where information is conveyed such as through television, broadcasting, cinema, advertisement, newspapers, books, magazines, journals and the Internet.<sup>2</sup> Other scholars have examined the role of “popular media” such as folk songs, opera, serial pictures (comic books), short stories and wall newspapers.<sup>3</sup> In this study, the term “media” refers to newspaper groups (报业集团 or *baoye jituan*) formed since the mid-1990s in China, a relatively recent phenomenon.

Newspaper groups, as their name suggests, are large corporations whose core business revolves around the newspaper industry such as the collating of news, writing, editing, printing and even distributing newspapers. Usually a newspaper group manages a number of publications with each catering to a specific market segment. By having several publications under one roof, a newspaper group can reap benefits from the economies of scale. This study will look at two newspaper groups, namely the *Liberation Daily Newspaper Group* (解放日报报业集团 or *Jiefang Ribao Baoye Jituan*) formed in 1999 in Shanghai and the *Southern Daily Newspaper Group* (南方日报报业集团 or *Nanfang Ribao Baoye Jituan*) formed in 1998 in Guangdong.

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<sup>2</sup> David H. Weaver and G. Cleveland Wilhoit Guido H. Stempel III (eds.), *Mass Communication Research and Theory* (Boston, Mass.: Allyn and Bacon, 2003); Liu-Lengyel Hongying, *Chinese Cartoons as Mass Communication: the History of Cartoon Development in China* (Ann Arbor, Mich.: University Microfilms International, 2003); Joseph Turow, *Media Today: an Introduction to Mass Communication* (Boston: Houghton Mifflin, 2003); Joseph R. Dominick, *The Dynamics of Mass Communication: Media in the Digital Age* (Boston, Mass.: McGraw-Hill, 2002); Aoge Ersi Dengzhu, *Dazhong Chuanboxue: Yingxiang Yanjiu Fanshi (Mass Communication Studies: an Effects Study Approach)*, in Chang Changfu and Li Yiqian (eds.), (Beijing: Zhongguo Shehui Kexue Chubanshe, 2000); Julia T. Wood, *Communication Mosaics: a New Introduction to the Field of Communication* (Belmont, CA: Wadsworth Publishing, 1998); Michael C. Emery and Ted C. Smythe, *Readings in Mass Communication: Concepts and Issues in the Mass Media* (Dubuque, Iowa: W. C. Brown, 1989); John R. Bittner, *Mass Communication, An Introduction* (Englewood Cliffs, N. J.: Prentice Hall, 1989).

<sup>3</sup> Godwin C. Chu (ed.), *Popular Media in China: Shaping New Cultural Patterns* (Honolulu: The University Press of Hawaii, 1978).



As party-affiliated newspaper groups, they have to first fulfill the demands of the party and then appeal to readers who form a large part of their market. Given the widely held perception of the party's ubiquitous control, one would expect the *Southern Daily Newspaper Group* and *Liberation Daily Newspaper Group* to operate within reporting parameters set by their respective local propaganda bureaus in Guangdong and Shanghai that oversee them. While this is generally true, we should not be lulled into the mistaken perception that the two newspaper groups do not commit reporting infractions at all.

The reality is that in appealing to readers, the two newspaper groups, or more precisely, certain publications under the two groups, occasionally run afoul of reporting parameters set by the local propaganda bureaus. The latter will in turn impose punitive measures on these errant publications. Chapter 3 will show that the *Southern Daily Newspaper Group* tends to commit more serious reporting infractions and is thereby more heavily punished by the local propaganda bureau. In contrast, the *Liberation Daily Newspaper Group* tends to commit less serious reporting infractions and is correspondingly less heavily punished.

The central question is to examine why the *Southern Daily Newspaper Group* commits more serious reporting infractions than the *Liberation Daily Newspaper Group*. What determines the nature of the reporting infractions? It will be argued that the seriousness of the reporting infractions depends on the strategies of the newspaper group towards the need to appeal to readers.

There are various strategies used by the *Southern Daily Newspaper Group* and *Liberation Daily Newspaper Group* to appeal to readers. This thesis will look at four main types: (a) the changes the anchor publications in the two newspaper groups have undergone; (b) the type of sister publications formed to meet different segments of readers; (c) the use of information technology to stay relevant and reach a wider audience; and, (d) the closure of unpopular publications and launch of new ones.

A fifth area that will receive particular focus will be instances of reporting infractions committed by the *Southern Daily Newspaper Group* and *Liberation Daily Newspaper Group*. In this study, a reporting infraction is committed when the local propaganda bureau takes punitive action against a publication or individuals related to that publication. It is important to state that where there are instances of reporting infractions by the two newspaper groups, it does not mean that they are deliberately setting themselves up against the party. This is unlikely as the two newspaper groups are party-affiliated. Rather, when reporting infractions are made, this study contends that they could constitute an overall strategy by the newspaper group to appeal to readers. It may be that competition is so intense that the newspaper group wants to distinguish itself from other competitors by engaging in aggressive and investigative reporting. In doing so, it gets noticed by readers.

Conversely, when no serious reporting infractions are committed, it does not mean that the newspaper group does not attach importance to meeting the demands of

readers. It could simply be that the newspaper group is not known to commit reporting infractions as a strategy to appeal to readers. It may concentrate on other ways of appealing to readers that do not run afoul of reporting parameters.

In discussing reporting infractions by the two newspaper groups, the role of the local propaganda bureaus in Guangdong and Shanghai that oversee the *Southern Daily Newspaper Group* and *Liberation Daily Newspaper Group* respectively must be mentioned. It is the local propaganda bureaus that decide whether publications under the two newspaper groups have run afoul of reporting parameters. It will be argued that the local propaganda bureaus exert selective party control over these two newspaper groups. This is most obvious than when one examines the response of the local propaganda bureaus to reporting infractions committed by the two newspaper groups. Rather than a one-size-fits-all type of control, the local propaganda bureaus show interesting variations in their response.

The control exercised by the two local propaganda bureaus is also regarded as selective because the proliferation of publications in Shanghai and Guangdong, on top of the two newspaper groups mentioned here, has made it difficult for the local propaganda bureaus to effectively dictate what can or cannot be carried in these publications. The most practical approach is for the local propaganda bureaus to set the broad parameters for publications to operate in, and punish them if they are deemed to have crossed reporting parameters.

Most of the time, the local propaganda bureaus focus their attention on publications with a high circulation rate, leaving the less popular ones alone. This is because the implication of reporting infractions committed by the more popular publications is much greater than publications with a limited reach. If nothing is done to punish the more popular publications that commit reporting infractions, this will make a mockery of the reporting parameters set, and ultimately erode the party's authority.

Some explanation is necessary on why the *Southern Daily Newspaper Group* and *Liberation Daily Newspaper Group* are chosen for this study out of 39 newspaper groups in China (a list of newspaper groups is at [Appendix 1A](#)). The foremost reason is to discover whether there are interesting regional variations in the way two prominent newspaper groups balance the demands of the market and party. The *Liberation Daily Newspaper Group* from Shanghai is a reputable newspaper group as the name “*Liberation Daily*” was carried over from the most influential party publication that had existed during the Sino-Japanese War in the 1930s. The *Liberation Daily Newspaper Group* is generally upheld by the party as a model for other newspaper groups to emulate. As for the *Southern Daily Newspaper Group* from Guangdong, it is China's first provincial level newspaper group set up under the party committee of Guangdong.<sup>4</sup> It is a reputable newspaper group, known for devising innovative ways to appeal to readers. It also has the party's stamp of approval. The unique standing of the two newspaper groups is the primary reason why they have been singled out for this study. Second, the two newspaper groups originate from two of the wealthiest and fastest developing coastal regions in China where commercialization is most keenly felt. It would be worthwhile to

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<sup>4</sup> *Zhongguo Xinwen Nianjian 1999 (China Journalism Yearbook)*, pp. 132-134.

discover key differences in the way they appeal to readers, especially in the nature of reporting infractions committed. Third, the two newspaper groups originate from two of the most open regions in China particularly in economic terms. As a result of their relative openness, it would be easier to conduct research in these two regions compared to say in Beijing, the political capital.

### **Research Approach**

The state-in-society model will be used to examine how the two newspaper groups, as state actors, adapt to the preferences of readers who are members of society and how the local propaganda bureaus, as state actors, find it increasingly challenging to impose control on the two newspaper groups due to the latter's increased dependence on readers. Before applying this model, a brief description of the state-society model and how it fits in with this study is needed.

There are a number of variations of the state-society model. In the 1950s, the study of state and society was deeply influenced by the Cold War mindset which drew inspiration from the regimes in the Soviet Union and its satellite states. The scholarship was dominated by the totalitarian model where the party was depicted as striving for total power and total submission of its subjects to the party's authority. The party was able to tap various instruments of control such as the police, informants and various institutions

to control virtually all aspects of society. The members of society were generally regarded as incapable of forming independent groups or mobilizing themselves.<sup>5</sup>

Either explicitly or implicitly, authors who subscribe to elements of the totalitarian model such as Hannah Arendt, Carl J. Frederick, Zbigniew Brzezinski and Franz Newmann, tend to suggest a virtual blurring of the line between state and society and the emergence of almost total politicization of society by political organizations, generally the party and its affiliates. These authors also highlight the party's use of coercion and terror, in varying degrees, to enforce compliance and conformity among societal members.<sup>6</sup> The state is generally portrayed as strong while society is seen as weak.

Beginning from the mid-1960s, due to the influence of American-inspired approaches and the impact of China's Cultural Revolution, scholars began to seriously question the totalitarian model. A number of studies of communist political systems insist that, as political terror and mass mobilization subside, there is an accompanying revival of genuine political competition within the framework of political controls, a competition that can be described as pluralistic. This is because social groups began to be formed and start to articulate and pursue their shared interests. Research in this vein emphasized the

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<sup>5</sup> Such scholars include Hannah Arendt, *Totalitarianism, Part 3, The Origins of Totalitarianism* (New York: Harcourt, Brace and World, 1951); Carl J. Frederick, "The Unique Character of Totalitarian Society", in Carl J. Frederick (ed.), *Totalitarianism* (Cambridge: Harvard University Press, 1954); Zbigniew Brzezinski, *The Permanent Purge* (Cambridge: Harvard University Press, 1956); and, Franz Newmann, *The Democratic and the Authoritarian State* (Glencoe: Free Press, 1957).

<sup>6</sup> Juan J. Linz, *Totalitarian and Authoritarian Regimes* (Boulder, Colorado: Lynne Rienner Publishers, Inc., 2000), pp. 65-142. See also Abbott Gleason, *Totalitarianism: the Inner History of the Cold War* (New York: Oxford University Press, 1995); Michael Curtis, *Totalitarianism* (New Brunswick, N. J.: Transaction Books, 1979); and, Leonard Schapiro, *Totalitarianism* (London: Macmillan, 1972).

classification and description of groups: their identity, boundaries, shared interests and opportunities to exercise influence on policy making and implementation.<sup>7</sup>

During this period, scholarly work on China was confined to the key political actors whose movement and methods were at least vaguely visible from vantage points outside China. With all other realms of Chinese political life closed to scientific exploration, scholars could only focus their attention on Mao Zedong and his handful of revolutionary comrades at the top of China's political pyramid. Some studies of policy and decision-making tended to take a Mao-centric or Mao-in-command approach.<sup>8</sup> Others have proposed a factional model to interpret political struggle at the top.<sup>9</sup> Yet others have looked at decision-making in China by examining the roles of institutions such as ministries, bureaus, and other agencies within the party/state apparatus.<sup>10</sup> Therefore, rather than the state or the party being a monolithic whole, scholars began to recognize that there could be various players or groups within the state and that the state was not all-domineering.

The present research on state-society relations emphasizes the dynamic interactions between the state and party apparatus on the one hand and the society on the

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<sup>7</sup> Such scholars include Jerry F. Hough, *The Soviet Union and Social Science Theory* (Cambridge: Harvard University Press, 1977); Skilling H. Gordon and Franklyn Griffiths (eds.), *Interest Groups in Soviet Politics* (Princeton: Princeton University Press, 1970).

<sup>8</sup> Michel Oksenberg, "Policy-Making Under Mao, 1949-1968: An Overview", in John Lindbeck (ed.), *China: Management of a Revolutionary Society* (Seattle: University of Washington Press, 1971).

<sup>9</sup> Andrew Nathan, "A Factional Model for CCP Politics", *The China Quarterly*, no. 53 (January 1973), pp. 34-66; Tsou Tang, "Prolegomenon to the Study of Informal Groups in CCP Politics", *The China Quarterly*, no. 65 (March 1976), pp. 98-117; and, Lucian W. Pye, *The Dynamics of Chinese Politics* (Cambridge, Mass: Oelgeschlager, Gunn and Hain, 1981).

<sup>10</sup> William W. Whitson, "Organizational Perspectives and Decision-making in the Chinese High Command", in Robert A. Scalapino (ed.), *Elites in the People's Republic of China* (Seattle: University of Washington Press, 1972).

other hand. Andrew Walder has propounded the neo-traditional concept where instead of using force or coercion to rule, the party instead rewards loyalty from its subjects by dispensing political promotions, material incentives and personal gains. On its part, the individual members of society see it in their interest to work with the relevant authorities to enjoy the benefits that come with this cooperation. There is thus a rich subculture of instrumental-personal ties through which individuals circumvent formal regulations to obtain official approvals, housing, and other public and private goods controlled by low-level officials.<sup>11</sup>

Other scholars have also highlighted the need to examine and understand the micro-elements that constitute state and society. In other words, both state and society do not speak with one voice but any outcome usually involves an interplay of the elements of state and society with changes in the behavior of each element occurring over time.<sup>12</sup> In particular, Joel S. Migdal has proposed the state-in-society concept where he suggested viewing the state as comprising loosely connected parts or fragments, frequently with poorly defined boundaries among them and other groupings inside and outside the official state borders and often promoting conflicting sets of rules with one another and

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<sup>11</sup> Andrew G. Walder, *Communist Neo-Traditionalism: Work and Authority in Chinese Industry* (Berkeley: University of California Press, 1986).

<sup>12</sup> Vivienne Shue, *The Reach of the State: Sketches of the Chinese Body Politic* (Stanford: Stanford University Press, 1988), p. 25. See also Elizabeth J. Perry, "Trends in the Study of Chinese Politics: State-Society Relations", *The China Quarterly*, no. 139 (September 1994), pp. 704-713; Gordon White, Jude Howell and Shang Xiaoyuan, *In Search of Civil Society: Market Reform and Social Change in Contemporary China* (New York: Oxford University Press, 1996); Timothy Brook and B. Michael Frolic (eds.), *Civil Society in China* (London: M.E. Sharpe, 1997), p. 7; and, David Yang Da-hua, "Civil Society as An Analytic Lens for Contemporary China", *China: An International Journal*, vol. 2, no. 1 (March 2004), pp. 1-27.



with established laws.<sup>13</sup> Migdal argues that the process of interaction of these state fragments and other groupings does not lead to a final outcome where an ultimate winner emerges. Instead, the interaction is a dynamic process in which the fragments of the state involved in the interactions is continuously morphing with their interest becoming more closely aligned with other groupings in society.<sup>14</sup>

This study intends to borrow Migdal's state-in-society approach and apply it to the study of the two newspaper groups and the local propaganda bureaus that oversee them. As state-actors, both the *Southern Daily Newspaper Group* and *Liberation Daily Newspaper Group* are required first to meet the demands of the party. Only when they have satisfied this condition can they produce publications that appeal to readers.

The readers here are regarded as a loose-knit collection of individual members of society who are the consumers of the publications by the two newspaper groups. As end-users, readers increasingly play an indispensable role in shaping the daily operations of the two newspaper groups such as the type of publications produced and the strategies to appeal to readers. Meeting the preferences of readers does not necessarily mean that the two newspaper groups are out to set themselves against the party.

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<sup>13</sup> Joel S. Migdal, *State in Society: Studying How States and Societies Transform and Constitute One Another* (New York: Cambridge University Press, 2001), p. 22. See also Joel S. Migdal, "The State in Society: An Approach to Struggles for Domination", in Joel S. Migdal, Atul Kohli and Vivienne Shue (eds.), *State Power and Social Forces* (New York: Cambridge University Press, 1994), pp. 7-34.; and, Joel S. Migdal, *Strong Societies and Weak States: State-Society Relations and State Capabilities in the Third World* (New Jersey: Princeton University Press, 1988), pp. 10-41.

<sup>14</sup> Migdal, *State in Society*, pp. 23-38.

But with their increased reliance on readers, the two newspaper groups increasingly have a stake in society. As they appeal more to readers, the two newspaper groups has become more attuned to societal needs than the ideological and political requirements of the party. Striking an optimal balance between the demands of the party and preferences of readers is no mean feat as evidenced by the reporting infractions committed by the two newspaper groups. In the long-run, the veering of the newspaper groups towards readers will have implications on the party's effectiveness to control the two newspaper groups especially if a situation arises where what readers want conflicts with what the party is prepared to allow.

As for the local propaganda bureaus, it used to act with impunity in meting out punishment to publications that flout reporting parameters. However, in recent years, it is coming under closer scrutiny in the way it carries out its task of overseeing the newspaper groups. It has become more challenging because of the increasing stake that newspaper groups have in society. Imagine a situation where a journalist or editor is punished by the local propaganda bureau for an article that resonates with readers but which flout reporting parameters. In the past where readers' influence did not matter and where publications relied primarily on government subsidy, the propaganda bureau could swiftly mete out the relevant punishment and it would be considered case closed.

But today, with the newspaper group heavy dependence on the market as a key revenue source and the increased influence of readers, the affected journalists or editors and their supporters could be emboldened to challenge the punitive measures imposed by

the local propaganda bureau. Therefore, the local propaganda bureau can no longer act with impunity but will come under increasing pressure to justify its actions particularly when undertaking punitive measures. Instances will be highlighted in this study to show this emerging trend which has also long-term implications on the effectiveness of the local propaganda bureau in overseeing the newspaper groups.

## **Literature Review**

Compared to the voluminous literature on China's media industry in general and print media in particular, there has been relatively little research done on newspaper groups, a subset of China's print media. This study is significant for two key reasons. First, the study will examine the formation of newspaper groups in China, a relatively recent phenomenon that started in the mid-1990s when the party allowed the *Guangzhou Daily Newspaper Group* to be formed in Guangdong in January 1996.<sup>15</sup> This heralded a new chapter in the growth of China's print media industry. Thereafter, more newspaper groups were formed. Hence, a study that compares two renowned newspaper groups in China, namely, the *Liberation Daily Newspaper Group* and *Southern Daily Newspaper Group*, especially why the latter tends to commit more serious reporting infractions than the former will contribute to our understanding of the dynamic developments taking place in China's print media industry.

The second contribution of this study is to add to the existing body of research on China's media industry in general and print media in particular. Most literature on the

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<sup>15</sup> This is the first city-level newspaper group allowed to be formed.

newspaper groups in China has tended to focus either predominantly on the broader context surrounding the formation of newspaper groups or too much on individual groups in particular. There has so far been very little or no attempt made to compare the strategies and approaches of individual newspaper groups such as the *Liberation Daily Newspaper Group* and *Southern Daily Newspaper Group*. This study will build on the existing literature by comparing the two newspaper groups.

Previous studies of China's print media can be largely divided into three broad periods, namely (a) the immediate period after the formation of the People's Republic of China (PRC) in 1949; (b) the reform and open door period in the late 1970s; and, (c) the period following Deng Xiaoping's Southern Tour in 1992 till today.

In the period following the CCP's victory in 1949, the perception of China's media by scholars was greatly influenced by the nature of the regime that came into power. Generally, the predominant framework for analyzing the media was the mass propaganda and persuasion model arising from scholars' perception of a totalitarian political system existing at that time. According to this framework, the Chinese news media were tightly controlled instruments of political indoctrination and mass mobilization. To these scholars, China's media, under the CCP ubiquitous control, usually spoke with one voice. In building up a socialist society, the newspapers, the most important tool of the party and government before the advent of television, held up the spirit of sacrifice and selflessness of selected individuals for emulation.<sup>16</sup>

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<sup>16</sup> Such individuals included Lei Feng (雷锋), Wang Jinxi (王进喜) and Jiao Yulu (焦裕禄). Lei Feng (1940-1962), a People's Liberation Army soldier, is remembered for devoting his entire life to social work;

Federick Yu has used the concept of mass persuasion, which involves controlling the thoughts and actions of the populace, to describe the mass ideological conversion of the sort attempted by the CCP. The ultimate aim is to create a “new socialist man”, a prerequisite to building a new socialist state.<sup>17</sup> Likewise, Vincent King has observed that immediately after seizing power, the CCP placed rigid control over all propaganda media and set up a vast propaganda network directly operated by the party and government. Through this propaganda network, the CCP launched a number of mass campaigns for political indoctrination and thought control as well as for mobilizing people to support the regime’s particular economic or foreign policies.<sup>18</sup> Franklin Houn has described the CCP in this period as embarking on the most extensive propaganda effort of all time, to extend the reach of the party to virtually all sectors of society such as the masses and peasants, the youth in schools and armed forces, the communist militants and even the remnants of powerful social classes. The key purposes of this effort are to carry out the socialist transformation of society, increasing production and the productive capacity of the country and eliminating internal dissension.<sup>19</sup>

Elsewhere, Su Shaozhi has described the type of control exerted by the CCP especially during the Mao Zedong era as pervasive, totalistic and repressive. Su even

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Wang Jinxi (1923-1970) or “Iron Man” is known for his indefatigable spirit in braving sub-zero temperatures to open up the Daqing oil fields; and, Jiao Yulu (1922-1964) symbolizes the exemplary Party cadre who devotes himself tirelessly to the service of the country.

<sup>17</sup> Federick T. C. Yu, *Mass Persuasion in Communist China* (London and Dunmow: Pall Mall Press, 1964), pp. 3-10.

<sup>18</sup> Vincent V. S. King, *Propaganda Campaigns in Communist China* (Cambridge, Mass.: Center for International Studies, Massachusetts Institute of Technology, January 1966).

<sup>19</sup> Franklin W. Houn, *To Change a Nation: Propaganda and Indoctrination in Communist China* (New York: Free Press of Glencoe, 1961).

argues that during the Cultural Revolution, this control reached an absurd level, anyone who dared to express ideas even minimally different from Mao was condemned as a class enemy.<sup>20</sup> Alan Liu has described the mass media as a tool used by the CCP for the purpose of national integration. In his view, national integration can be conceived as occurring in two major phases - penetration and identification. In the penetration phase, the central government penetrates into regions that hitherto were autonomous politically and culturally. The role of mass media in this phase is to convey political authority to the people and to bring political consciousness or identity to the masses from without. In the identification phase, the people are able to identify with a set of common norms, values, and symbols, i.e., mass culture, propagated by the central government.<sup>21</sup>

The second period of literature on China's print media arose after the reform and open door policy was introduced in the late 1970s. This policy, while helping the party seek new sources of legitimacy, also affected the party's grip over the media. Deng's Xiaoping's campaign to "emancipate the mind" and "seek truth from facts" provided the leeway for the party's control over the media to become somewhat looser, although its control remained strong. It sparked a wave of research that questioned the virtual absolute control of the party over the media in the 1950s and 1960s. Scholars in this period looked at the impact of market reforms on the media in general, particularly how it affected the party's grip over the media.

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<sup>20</sup> Su Shaozhi, "Chinese Communist Ideology and Media Control", in Chin-Chuan Lee (ed.), *China's Media, Media's China* (Boulder, Colorado: Westview Press, Inc., 1994), pp. 75-88.

<sup>21</sup> Alan P. L. Liu, *Communications and National Integration in Communist China* (Berkeley and Los Angeles, California: University of California Press, 1971); and, Charles P. Cell, "Communication in China's Mass Mobilization Campaigns", in Godwin C. Chu and Francis L. K. Hsu (eds.), *China's New Social Fabric* (London: Kegan Paul International, 1983), pp. 25-46.

Merle Goldman has argued that because the CCP control over the media was somewhat looser and factions more open in the Deng Xiaoping era, beginning in 1978, different newspapers and journals tended to represent different political factions. Merle has observed that China's top leadership resorted to the media to stake their respective ideological positions. At one end of the political spectrum was the conservative faction led by Hua Guofeng who used the *Red Flag* (the CCP's ideological journal) to champion the cult of Mao with his "two whatevers", i.e., whatever policy Chairman Mao decided, we shall resolutely defend; whatever instructions he issued, we shall steadfastly obey. On the other end of the political spectrum was the reformist leadership led by Hu Yaobang, Zhao Ziyang and most of the time Deng, who used newspapers like the *People's Daily* (the CCP's mouthpiece), *Guangming Daily* and *Liberation Daily*, to articulate their reforms ideas and criticize the dogmatic pursuit of ideology.<sup>22</sup>

Besides the use of the media by the political leaders and factions in their struggles with each other, China's media itself underwent significant changes. Lowell Dittmer has argued that the trend of secularization during the Deng era, including the systematic demolition of the cult of Mao, has allowed mainstream newspapers such as the *People's Daily* in China to allot more coverage to economic news. Dittmer also observed that reporting by the *People's Daily* in other fields – politics, science, education, art and

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<sup>22</sup> Merle Goldman, "The Role of the Press in Post-Mao Political Struggles", in Chin-Chuan Lee (ed.), *China's Media, Media's China* (Boulder, Colorado: Westview Press, Inc., 1994), pp. 23-35.

literature – also tended to reflect the inherent logic or objective laws of those fields, rather than superimposing an extraneous ideological standard.<sup>23</sup>

Due to the forces of decentralization and commercialization, China experienced an unprecedented media boom beginning in the late 1970s. In a study of Chinese newspapers in 1987, Chin-Chuan Lee observed that while party organs retained 16% share of the total newspaper titles, there has been a steady rise in other newspaper publications ranging from targeted-population newspapers (workers, peasants, youth, students/youngsters; representing 10% of the total), evening papers (1%), special-subject papers (economic, political, culture, radio and others; representing 23% of the total), to enterprise papers (25%). An elaborate network of national and local publications was established to serve the specialized needs of various age, occupational, interest and work-unit constituencies.<sup>24</sup>

In his study of the media scene in Shanghai in the 1980s, Lynn White observed that Shanghai's broadcast and print media have come to address more specialized audiences than in the 1950s and 1960s. The technologies that they employ enabled them to convey greater varieties of information more quickly than before. Hitherto unimportant sources of funds, especially advertising, have become potentially more important than before. White stressed that newspapers in the 1980s have to grapple even more with the need to balance the interest of the masses by providing timely information on the one

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<sup>23</sup> Lowell Dittmer, "The Politics of Publicity in Reform China", in Chin-Chuan Lee (ed.), *China's Media, Media's China* (Boulder, Colorado: Westview Press, Inc., 1994), pp. 89-112.

<sup>24</sup> Chin-Chuan Lee, "Mass Media: Of China, About China", in Chin-Chuan Lee (ed.), *Voices of China: The Interplay of Politics and Journalism* (New York and London: The Guilford Press, 1990), pp. 3-29.



hand and the requirement to convey the party line on the other. White further noted that the editors of influential newspapers like the *Liberation Daily* and *Xinmin Evening News*, who were concurrently party members, tended to exercise some degree of self-censorship to ensure that their publications ran smoothly.<sup>25</sup>

Like the first period of literature, the second period of literature on China's media did not provide any information on newspaper groups because such groups had not existed yet. But the literature in this period does provide interesting observations on how different China's media was from the first period. During the reform period, China's media witnessed greater diversification in terms of the sources of information people had access to, with newspapers just one of many such sources. Even within this media channel, more newspaper varieties were available and the contents they carried went beyond ideological articles. There was greater competition and newspapers had to carve a niche for themselves. Despite the changes, the party and government remained in firm control of the media. The only difference between the reform period and the Mao period was that the authorities were now prepared to accommodate greater variety and allow newspapers to be more financially independent. Also, the degree of freedom enjoyed by China's media depended on the prevailing political circumstances as demonstrated by the 1989 Tiananmen incident that ushered in a period of political conservatism and corresponding tightening of media control. But while the momentum of the reform and open door policy was temporarily disrupted, there was no turning back to the Mao days

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<sup>25</sup> Lynn T. White III, "All the News: Structure and Politics in Shanghai's Reform Media", in Chin-Chuan Lee (ed.), *Voices of China: The Interplay of Politics and Journalism* (New York: The Guilford Press, 1990), pp. 103-104.

of central planning and control. Deng's 1992 Southern Tour put China firmly back on the track of market reforms.

The Southern Tour ushered in the third period of literature on China's media. The literature in this period highlighted the further erosion of the party's control over the media. In particular, the ever deepening forces of commercialization threw into sharper focus whether the media should adhere to the seemingly contradictory force of "party logic" or "market logic". Wu Guoguang has argued that socioeconomic liberalization produced substantive changes in media structures, changes significant enough to offer an increasingly larger space for journalistic reports in the social realm, albeit not yet in the political realm. In Wu's view, the socioeconomic forces have contributed to the diversification in media structures in three main ways. First, the Chinese media became structurally diversified within the party-state system through decentralization, which has occurred along with dispersion of economic and political power among different levels and branches of the state organization. Second, the media has become diversified through socialization, defined as a breakup of the state-monopolized media structure and replacement by a new structure in which various non-state actors play an increasingly important role. Third, marketization diversified the financial and distribution structures of the media in general and those of the management of party organs in particular. Wu used the expression "One Head, Many Mouths" to describe the many party and nonparty newspapers (many mouths) published in China although in his view, they fall within the

structure of a single head and are often restricted in operation by that head.<sup>26</sup> Chen Huailin and Joseph Chan echoed the limits that continued to be imposed with their assertion that China's mass media continues to struggle in a bird-cage, with the party still able to maintain a basic control over major media channels, i.e., newspapers, television stations, and radio stations.<sup>27</sup>

Zhao Yuezhi has also stressed the widespread momentum within China's media institutions towards a profit-making ethic while conscious of their ideological responsibilities.<sup>28</sup> He Zhou has characterized the tension between the "market logic" and "party logic" as a tug-of-war, pitting the forces of politics with those of a market economy. Despite its unquestionable political affiliation and manifest ideological orientation, He notes that the party press has undergone gradual but significant changes such as the stress on financial self-sufficiency, the emergence of media empires (including newspaper groups), the increasing responsiveness to the audience and the escalating competition posed by the increasingly popular electronic media and other non-party papers.<sup>29</sup>

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<sup>26</sup> Wu Guoguang, "One Head, Many Mouths: Diversifying Press Structures in Reform China", in Chin-Chuan Lee (ed.), *Power, Money and Media: Communication Patterns and Bureaucratic Control in Cultural China* (Evanston, Illinois: Northwestern University Press, 2000), pp. 45-67.

<sup>27</sup> Chen Huailin and Joseph M. Chan, "Bird-Caged Press Freedom in China", in Joseph Y. S. Cheng (ed.), *China in the Post-Deng Era* (Hong Kong: The Chinese University Press, 1998), pp. 645-668.

<sup>28</sup> Zhao Yuezhi, *Media, Market and Democracy in China: Between the Party Line and the Bottom Line* (Urbana and Chicago: University of Illinois Press, 1998), pp. 165-180.

<sup>29</sup> He Zhou, "Chinese Communist Party Press in a Tug-of-War: A Political-Economy Analysis of the Shenzhen Zone Daily", in Chin-Chuan Lee (ed.), *Power, Money and Media* (Evanston, Illinois: Northwestern University Press, 2000), pp. 112-151. An earlier Chinese version of He Zhou's article can be found in He Zhou and Chen Huailin (eds.), *Cong Houshe Dao Dangying Yulun Gongsi (From Throat and Tongue to Party-Managed Discussion Company)*, *Zhongguo Chuanmei Xinlun (The Chinese Media: A New Perspective)* (Hong Kong: The Pacific Century Press Limited, 1998), pp. 66-107.

Most significantly, the literature in this period began to mention newspaper groups although most of the time this topic was only briefly mentioned as part of developments in China's media industry as a whole. For example, in He Zhou's article mentioned above, he devotes only a small section to the emergence of media empires in which he says that several party or state-run media organizations have become financial giants, equivalent in wealth and financial power to some of their Western corporate counterparts.<sup>30</sup> Also, the focus of He's research on the *Shenzhen Special Zone Daily*, owned and run by the Shenzhen Municipal Communist Party Committee, was based on field trips he made to Shenzhen in 1994, 1996, 1997 and 1999.<sup>31</sup> Although the *Shenzhen Special Zone Daily* eventually was restructured into the newspaper group known as the *Shenzhen Special Zone Newspaper Group (Shenzhen Tequ Baoye Jituan)* in 1999, the findings in He's study was based on a study of a particular newspaper and not a newspaper group.

In the article on "Creeping Freedoms in China's Press", Ma Ling devotes a small section to a general description of newspaper groups in China. Ma observes that heated competition resulted in the emergence of media conglomerates with economic clout and a wide range of business interests. Ma cites Zhang Jian, a journalist from *Xinhua News Agency*, who commented that it was not surprising that news groups were emerging in the highly developed province of Guangdong. Some news organizations there were beginning to register as industrial and commercial enterprises, like state-invested news corporations. In theory and principle, these news organizations were different from the

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<sup>30</sup> The section on newspaper groups only occupies half a page in a 40-page article by He Zhou. See He Zhou, "Chinese Communist Party Press in a Tug-of-War", p. 113.

<sup>31</sup> *Ibid.*, p. 119.

old news organizations. They revealed a trend of marketizing the Chinese press and to turn them into enterprises.<sup>32</sup>

Elsewhere Hugo de Burgh has portrayed the formation of newspaper groups in a somewhat negative light by asserting that such groups were formed not in accordance with market forces and, even suggesting that there was collusion between the Chinese authorities and other parties behind such groups. Burgh cites the writings by other scholars to put forth his case. For example, Burgh says that Chen Huailin has noted in an analysis of the *People's Daily* (with its five newspapers and six magazines in 1998) that there was a potential for a social cost in forming newspaper groups which the Chinese authorities do not seem to have deliberated enough because the policy change was decided by fiat. The process was devoid of transparency, probably masking a series of behind-the-scenes bargaining with emergent financial forces.<sup>33</sup> Burgh further cites a 2001 report from *Reporters Sans Frontiers* asserting that the 15 major press groups formed in Beijing, Canton and Chengdu have what is known as a “red hat”, meaning that they work under the supervision of someone connected to the government”.<sup>34</sup> Burgh does not appear to have done much justice to the newspaper groups in China with his rather one-sided view.

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<sup>32</sup> The section on newspaper groups only occupies roughly a page in a 16-page article by Ma Ling. See Ma Ling, “Third Eye To Read China's News”, in Laurence J. Brahm (ed.), *China's Century: The Awakening of the Next Economic Powerhouse* (Singapore: John Wiley & Sons Asia Pte Ltd, 2001), pp. 397-398.

<sup>33</sup> Hugo de Burgh, *The Chinese Journalist: Mediating Information in the World's Most Populous Country* (London and New York: RoutledgeCurzon, 2003), p. 31.

<sup>34</sup> *Ibid.*

In contrast, Cao Peng is perhaps the only renowned Chinese author who has done some detailed study on newspaper groups in China. In his 1999 book, Cao highlights the broad socio-economic trends behind the formation of newspaper groups in China. Cao seeks to explain why newspaper agencies eventually form newspaper groups, the functioning of such newspaper groups and the prognosis for such newspaper groups. The main newspaper group that Cao looks at in his study is the *Guangzhou Daily Newspaper Group*, the first newspaper group permitted to be formed in 1996.<sup>35</sup> No mention was made in Cao Peng's study of the *Liberation Daily Newspaper Group* and *Southern Daily Newspaper Group*. This is because Cao's 1999 book was an updated version of his 1998 dissertation on newspaper groups in China. The *Southern Daily Newspaper Group* and the *Liberation Daily Newspaper Group*, formed only in 1998 and 1999 respectively, could not have been the object of Cao's study.

Hence, this study helps to fill up a void in the study of newspaper groups in China by focusing on the *Liberation Daily Newspaper Group* and *Southern Daily Newspaper Group*, two very important and influential groups in China. This study intends to build on the grounds laid by other scholars, especially Cao Peng, to arrive at a better picture of the challenges of the two newspaper groups in adapting to the preferences of readers and the local propaganda bureaus in trying to enforce its control over the two newspaper groups.

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<sup>35</sup> Cao Peng, *Zhongguo Baoye Jituan Fazhan Yanjiu (A Study of the Development of Newspaper Groups in China)* (Beijing: Xinhua Chubanshe, 1999).

## Methodology

The hypothesis that will be examined is that the seriousness of the reporting infractions depends on the strategies of the newspaper group towards the need to appeal to readers. The strategies by the newspaper group will be outlined qualitatively through information obtained from face-to-face interviews as well as open sources such as books, articles and Internet. Where relevant, quantitative data pertaining to the circulation volume, the amount of advertising revenue attracted and retail sales will be used to show the effectiveness of these strategies.

On the seriousness of the reporting infractions committed by the two newspaper groups and the punitive measures against them by the local propaganda bureaus, these are obtained via face-to-face interviews as well as published sources and the Internet. Through these sources, one can understand the nature of the reporting infractions made by the two newspaper groups. It would also be possible to understand the different response of the local propaganda bureaus to the reporting infractions and the increased challenges involved in enforcing control.

The author spent around two weeks each in Shanghai and Guangzhou. During the two separate field trips, the author gathered information from three main sources besides those from printed sources and the Internet. First, the author interviewed journalists and editors at the *Southern Daily Newspaper Group* and *Liberation Daily Newspaper Group*. This is to obtain a perspective from those directly involved in the newspaper industry. A

list of the primary and secondary questions used during the interview is at **Appendix 1B**. Second, the author met with newsvendors and academics from universities and research institutes in Shanghai and Guangzhou. This is to obtain a perspective from those outside the two newspaper groups. Third, the author made trips to local bookshops to source for relevant books. This is to augment and verify the information gathered from the face-to-face interviews. The purpose of diversifying the sources of information is to alleviate biases in data collection.

Nevertheless, the author would like to surface the constraints faced in conducting this research which has an impact on the representativeness of the data collected especially those from the face-to-face interviews. The primary constraint, as a foreigner, is the extreme difficulty in making cold calls on journalists and editors in the two newspaper groups. The most practical and feasible way to gain initial access is to approach the author's friends in China to make an introduction. As for the interactions with the newsvendors and personnel from the universities and research institutes, the author personally made contacts with them on the ground. The meeting with the personnel from the universities and research institutes often involved long waits without confirmation of a meeting till the last minute. Another constraint is that the cost of the two separate trips to Shanghai and Guangzhou has to be borne entirely by the author and the author has to take time off from regular work to conduct the field trips.

Almost all the interviewees did not want their names included in this study. Hence, only their broad designation, the publications they work for, and the date and time of the



interviews are included in the footnotes. Finally, it is not the intention of this study to go into a content analysis of the various publications under each newspaper group to assess how they appeal to readers. This is because it is difficult to identify common issues which the publications of each newspaper group would want to carry. After all, the orientation of both the *Southern Daily Newspaper Group* and *Liberation Daily Newspaper Group* is not national but local in nature.

### **Outline of Chapters**

This thesis has five chapters. Chapter 1, the introductory chapter, as outlined above, has set the central question, the hypothesis, the methodology and the possible theoretical contributions of this study based on the state-in-society model.

Chapter 2 will examine the strategies commonly used by the two newspaper groups to appeal to readers. It will explain how the *Southern Daily Newspaper Group* and *Liberation Daily Newspaper Group* evolved within the broad environment of the commercialization of the print media and the factors that influence the policy decisions of the two newspaper groups.

Chapter 3 will elaborate on instances of reporting infractions by the two newspaper groups and the response of the local propaganda bureaus to such infractions. The point is that reporting infractions is an additional strategy used by publications under the *Southern Daily Newspaper Group* to appeal to readers. Also, the institutions of

propaganda control over the two newspaper groups and the factors that affect the policy decisions of the local propaganda bureaus will be examined.

Chapter 4 will analyze the reasons behind the difference in the strategy mix by the *Southern Daily Newspaper Group* and *Liberation Daily Newspaper Group* to appeal to readers, particularly why the former tend to commit serious reporting infractions as a strategy to appeal to readers. It will examine factors related to the local political context and nature of the competitive environment that the two newspaper groups are faced with.

The concluding Chapter 5 will summarize the findings in the previous chapters and show how this study has validated the state-in-society model. It will show how the increasing orientation of the newspaper groups towards the market and readers will make it increasingly challenging for the newspaper groups to balance the demands of the party and market. More importantly, it will show how the local propaganda bureaus will find it increasingly challenging to rein in the newspaper groups when the latter produce articles that resonates with readers but which flout reporting parameters.

## **Chapter 2: Newspaper Groups and Readers**

The evolution of newspaper media groups is best understood within the broad environment of the commercialization of China's mass media in general and the print media in particular. The party sanctioned their formation in the mid-1990s as this was considered the way forward for party-affiliated newspaper groups to cope with the challenges of a market economy.

This chapter will describe the strategies by the *Liberation Daily Newspaper Group* in Shanghai and *Southern Daily Newspaper Group* in Guangdong to appeal to readers in four main areas: (a) the adaptations made by the anchor publications in the newspaper groups; (b) the segmentization of readers via the sister publications; (c) the use of information technology; and, (d) the closure and launch of publications. It will also look at the factors that affect the policy decisions of the newspaper groups as they strike a balance between the dictates of the party and readers' preferences.

The interactions between the newspaper groups on the one hand and readers on the other have resulted in adjustments made by the newspaper groups to stay relevant to societal needs. In doing so, it has become more challenging for the newspaper groups to balance the demands of party and readers.

## Commercialization of the Print Media

Since the PRC was established, the print media is regarded as one of the most important channels through which the party disseminates its ideas and perspectives to the public. Although its relative importance has declined due to the availability of alternative media channels such as the Internet, television and other telecommunication networks, its role remains important. In fact, the formation of newspaper groups since the mid-1990s demonstrates the resolve of party newspapers across the country to ride the wave of market competition. To understand present developments, it is necessary to outline the distinctive periods the print media underwent since 1949.

Although 1949 is chosen as a convenient date to begin the discussion, party newspapers had already existed earlier.<sup>36</sup> In the initial years after the CCP victory, the print media underwent significant changes in its management structure, role and content. In terms of its management structure, all privately-run and joint venture newspapers were taken over and reorganized by the party and state. The newspapers received financial support from the state and were guaranteed readership through official subscription. The capitalistic orientations of the erstwhile privately-run newspapers weakened and

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<sup>36</sup> As early as 1922, the CCP which was formed a year before, had established its first party newspaper called “*Guide*” (*Xiang Dao*). Thereafter, wherever the CCP went, it established party newspapers in other parts of China. In 1931 and 1941, the CCP established the “*Red Chinese Newspaper*” (*Hongse Zhonghuabao*) in Jiangxi and the “*Liberation Daily*” (*Jiefang Ribao*) in Shanbei respectively. Also, in other liberated areas, the CCP established local party newspapers. These party newspapers formed the basis for the party to reform the print media industry after it assumed power in 1949. See *Zhongguo Xinwen Nianjian 2000 (China Journalism Yearbook)*, pp. 52-54.

ultimately disappeared. In terms of its role and content, the print media became the party's mouthpiece, whose sole purpose was to help build a socialist society.<sup>37</sup>

During this period when the party tightened its grip over the print media, there was a general upward trend in the number of newspapers. Within almost a decade, from 1952 to 1960, the number of newspapers rose from 296 to 396, an increase of 3.7 per cent annually while its circulation volume rose from 1.61 billion to 5.1 billion over the same period, an increase of 15.5 per cent annually. At a lower rate of growth but no less significant, the number of periodicals rose from 354 in 1952 to 442 in 1960, an increase of 2.8 per cent annually. In the same period, the circulation volume of periodicals rose from 200 million to 470 million, averaging 11.3 per cent per year (see **Appendix 2A**).

The Cultural Revolution had a detrimental impact on the print media as intellectuals including journalists and editors were perceived as threats to the regime. Many journalists were persecuted for being in the wrong profession and for their views. Reputable journalists like Deng Tuo (邓拓) and Fan Changjiang (范长江) even lost their lives. The print media came under the sway of a few individuals like Lin Biao and the “Gang of Four” who used this medium to achieve their radical goals. Newspaper numbers fell drastically from a few hundred in 1965 to a dismal figure of 42 in the late 1960s. The print media reached its nadir.

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<sup>37</sup> As mentioned in Chapter 1, the party exalted role models such as Lei Feng, Wang Jinxi and Jiao Yulu. Also, national feats such as the construction of the Wuhan Bridge over the Yangtze River and the explosion of China's first atomic bomb were given much publicity and bore testimony to the great achievements that only seemed possible under a socialist leadership.

A turning point was the third plenum of the 11<sup>th</sup> Party Congress in 1978 that endorsed Deng Xiaoping's reform and open door policy. **Appendix 2A** shows the exponential growth in the number of newspapers from a mere 186 in 1978 to 2119 in 2003, growing 10.2 per cent annually. Apart from the negative growth following the 1989 Tiananmen incident, the 1997 Asian financial crisis and the streamlining of the print media in 2003, the general growth trend has been upwards.

The period from 1978 onwards till today witnessed significant changes in three key areas. First, newspapers moved beyond being a political radicalization tool and expanded their coverage to fields such as economics, education, science and technology, culture and fashion. There are more professional newspapers catering to a much more varied group of readers. **Appendix 2B** shows the number of general and professional newspapers at the central (national) and local (provincial level and below) levels from 1999 to 2003. In terms of the number of general newspapers (zonghe baozhi) at the local level, Guangdong occupies either the 1<sup>st</sup> or 2<sup>nd</sup> place. In 2003, 2002 and 2001 in particular, Guangdong produced the largest number of general newspapers at 93, 89 and 80 respectively. In contrast, Shanghai, in either the 23<sup>rd</sup> or 24<sup>th</sup> position, consistently lags behind Guangdong in the number of general newspapers produced.

However, in terms of the number of professional newspapers (zhuan ye baozhi) at the local level, Shanghai outranks Guangdong. Except for 1999, when Shanghai was second after Sichuan, Shanghai occupied the top spot in the subsequent four years from

2000 to 2003. As for Guangdong, it did not fair as badly, emerging among the top ten in terms of the number of professional newspapers published.

A second significant trend since the reform period has been the proliferation of newspapers by CCP and government organs beyond the central level. **Appendix 2C** draws a comparison between the growth of newspapers at the central level and the growth of newspapers at the provincial levels and below. The number of national level newspapers increased from 134 in 1993 to 213 in 2003, a rise of 4.7 per cent annually. (However, its volume of circulation over the same period declined from 6.95 billion to 6.06 billion). In contrast, at the local level, the number of provincial level newspapers actually declined from 824 in 1998 to 766 in 2003. Interestingly, this decline was more than offset by the increase in its circulation volume from 13.14 billion in 1998 to 18.97 billion in 2003, a rise of 7.6 per cent annually.

At the locale and city levels, there was an increase in the number of newspapers from 858 in 1998 to 898 in 2003, a rise of 0.9 per cent annually. Also, the volume of circulation rose from 9.66 billion in 1998 to 12.3 billion in 2003, an increase of 5 per cent annually. More substantially, the number of county level newspapers rose at an annual rate of 8.6 per cent from 160 in 1998 to 242 in 2003, much higher than the figures at the national, provincial, and locale and city levels. The figures above show the dynamic growth of newspapers at the local levels and bear testimony to the room for growth with the onset of a market economy.

The third significant development since the reform period has been the change in the financial position and management of the newspapers. Since the mid-1980s, the central government has slashed subsidies to the mass media. The first step in the direction of the mass media's self-financing was the issue of a policy document in December 1984, under which, except for a few cases, most magazines lost government financial support.<sup>38</sup> Similarly, in the 1980s, privatization was gradually introduced in the newspaper industry through the practice of enterprise management of official work units (*shiye danwei*, *qiyehua guanli*). Subsequently, in the 1990s, newspapers had to bear their own profit or loss under an independent accounting system.<sup>39</sup> A key outcome is the increased reliance on advertisements to support its operations.

**Appendix 2D** provides an overview of the expansion rate of the advertising industry in the four main media channels, namely the newspapers, television, broadcasting and periodicals. In 1994, total advertising revenue reached slightly over 20 billion *Yuan*. By 2003, the figure for the first time exceeded the 100 billion *Yuan* mark, representing a five fold increase within a decade.

In 2003, the advertising revenue of newspaper, television, radio and periodicals amounted to 23 per cent, 24 per cent, 2.4 per cent and 2.3 per cent respectively. It is worth noting that the advertising revenue of newspapers fell behind the advertising revenue of television for the first time since 1995. The share of advertising revenue of

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<sup>38</sup> *Zhongguo Chuban Nianjian 1985 (China Publication Yearbook)*, p. 370.

<sup>39</sup> Tang Liang, *Jianjing Minzhu (Incremental Democratization)* (Singapore: Bafang Wenhua Qiye Gongsi, 2004), p. 105. See also Pei Minxin, *From Reform to Revolution: The Demise of Communism in China and the Soviet Union* (Cambridge, Mass.: Harvard University Press, 1994), p. 155.



newspapers declined from 23.7 per cent in 1995 to 20.9 per cent in 2002 while that of television rose from 23.8 per cent to 25.6 per cent over the same period. This shows that television has overtaken newspapers as the preferred media channel for advertisers.<sup>40</sup>

However, an interesting trend in 2003 is that the percentage gap between the newspaper advertising revenue and television advertising revenue narrowed to one percentage difference (1.1%) compared to previous years. This narrowing is due largely to the newspaper groups' success in managing their operations including their advertising departments more systematically. As a result, the target audience of the newspaper groups is much more defined, providing avenues for the advertising industry to grow. In particular, the marked increase in the number of city newspapers catering to the demand of the urban population for new homes has spurred the growth of property-related advertisements.<sup>41</sup> In sum, the narrowing of the advertising revenue gap between the newspaper and television sectors reflects the intense competition in the media industry and shows the important role advertising has come to play in the various sectors.

### **Evolution of Newspaper Groups**

Amidst the commercialization of the print media, the party sanctioned the formation of the newspaper groups in the mid-1990s. This was intended to meet two primary objectives. The first was to reduce the financial burden of the government. With

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<sup>40</sup> *Zhongguo Xinwen Nianjian 1999 (China Journalism Yearbook)*, pp. 106-107. See also "Zhongguo Baoye Guanggao Jingying Jinru Xinde Panzhengqi" (China's Newspaper Advertising Management Enters New Period of Growth), *Renminwang*, 21 February 2005 (<http://media.people.com.cn/GB/40754/3190522.html>).

<sup>41</sup> *Zhongguo Xinwen Nianjian 2004 (China Journalism Yearbook)*, p. 124.

no more subsidies, the newspaper groups would have to produce publications that appealed to readers. The second objective was to enable the party to better manage and control party newspapers. Newspaper groups would combine the functions of articulating the party's point of view while allowing the publications under them to produce news that readers want.

In May 1994, the Press and Publication Administration in Beijing issued initial guidelines to form newspaper groups, including: (a) newspaper groups will be experimented on a small scale; (b) no cross-province or cross-district newspaper groups can be formed; (c) only newspaper-based organizations and newspaper-related organizations can collaborate to form newspaper groups; and, (d) the potential newspaper group must first obtain the approval of the local press and publication bureau. The bureau will then confer with the local propaganda bureau before submitting an application to the Press and Publication Administration for a decision.<sup>42</sup> From the start, the authorities wanted to ensure that newspaper groups developed in an orderly and manageable way.

At the first nationwide forum on newspaper groups organized by the Press and Publication Administration in June 1994, the chief editors of 10 major newspapers, namely, *Liberation Daily*, *Southern Daily*, *Beijing Daily*, *Guangming Daily*, *Jinji Daily*, *Zhejiang Daily*, *Sichuan Daily*, *Hubei Daily*, *Liaoning Daily* and *Xinhua Daily* set the following criteria to form newspaper groups:<sup>43</sup>

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<sup>42</sup> *Zhongguo Xinwen Nianjian 1995 (China Journalism Yearbook)*, p. 24.

<sup>43</sup> *Zhongguo Xinwen Nianjian 1999 (China Journalism Yearbook)*, pp. 156-157. See also Sun Xupei, *Dangdai Zhongguo Xinwen Gaige (Media Reforms in Present China)* (Beijing: Renmin Chubanshe, 2004), pp. 187-189.

- (a) The potential newspaper group must have an anchor newspaper (i.e. party newspaper) as the pillar and at least four other publications;
- (b) Based on the differences in the economic development of the various regions, the annual tax revenue of the newspapers in the coastal regions must be above 50 million *Yuan*, while the annual tax revenue of the newspaper in the middle and western regions must be above 30 million *Yuan*;
- (c) In terms of personnel, the newspaper must have more than 20 per cent of the existing number of journalists and editors above the deputy senior grade professional level, and more than 15 per cent of the existing number of management and technical staff above the medium grade professional level;
- (d) In terms of technical capabilities, the newspaper must have its own publishing house equipped with modern facilities to print and handle various types of photo-images. Apart from printing and binding the publications under its charge, the particular newspaper must be able to take on additional printing load; and,
- (e) The total circulation volume of the newspaper must either be above 600,000 copies or the newspaper must possess a readership of one newspaper for every

150 person within a local district. The newspaper must have an efficient distribution channel.

While at least 8 to 10 newspapers met the above criteria, the party proceeded cautiously by selecting the *Guangzhou Daily*, a city level party newspaper, to kick start the experiment. The Guangdong Press and Publication Bureau in Guangzhou first submitted an application to the Press and Publication Administration in Beijing to form the *Guangzhou Daily Newspaper Group* in December 1995. After weeks of on-site inspection and deliberation, approval was given for the country's first city level newspaper group in January 1996.<sup>44</sup> Other newspaper groups were subsequently formed. Today, there are altogether 39 newspaper groups in China.

### **Balancing Party and Market Demands**

This section will outline some of the broad factors that affect the policy decisions of the two newspaper groups as they balance the dictates of the party and preferences of readers in the market place.<sup>45</sup> These factors also affect the mix of strategies used to appeal to readers which will be further elaborated in Chapter 4.

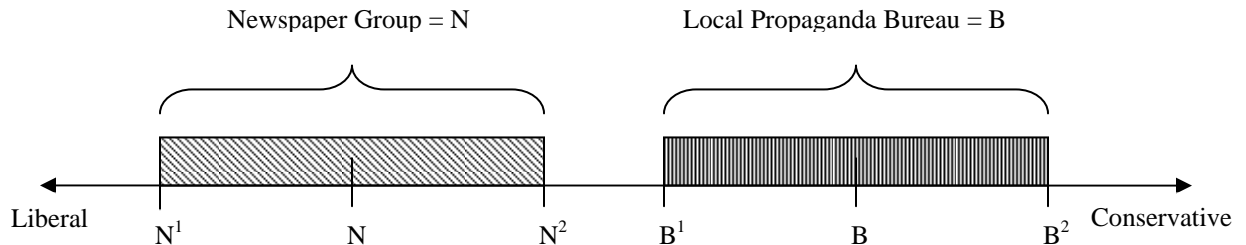
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<sup>44</sup> *Zhongguo Xinwen Nianjian 1999 (China Journalism Yearbook)*, p. 157.

<sup>45</sup> The points in this section were obtained from two sources: (i) a conversation with a lecturer from Jinan University who was in Singapore on 27 May 2007 at 2.00 pm and who is familiar with the workings of the *Southern Daily Newspaper Group*; and, (ii) a journalist friend of this same lecturer who works for the *First Financial Daily* (第一财经), an economic journal in Shanghai. This journalist is familiar with the workings of the *Liberation Daily Newspaper Group*.

For ease of explanation, **Figure 2A** illustrates the broad relationship that exists between the newspaper group and the local propaganda bureau that oversee it.<sup>46</sup> On a continuum scale between a liberal orientation and a conservative orientation, the author has situated a newspaper group and a local propaganda bureau. From the party's most preferred scenario, the ideal position of the local propaganda bureau (B) ought to coincide with the ideal position of the newspaper group (N), that is,  $B = N$ . When this occurs, the local propaganda bureau does not face any problem in controlling the newspaper group. This was the situation that existed in the past when publications only had to listen to the dictates of the party to survive.

**Figure 2A: Continuum Scale to Illustrate Broad Relationship between the Newspaper Group and Local Propaganda Bureau**



Today, a significant change is that the newspaper group has to appeal to readers while meeting the demands of the party. Hence,  $N$  no longer coincides with  $B$  but has moved in the direction of being more liberal in its orientation. On its part, the role of the local propaganda bureau is to ensure that the newspaper group continues to adhere to the

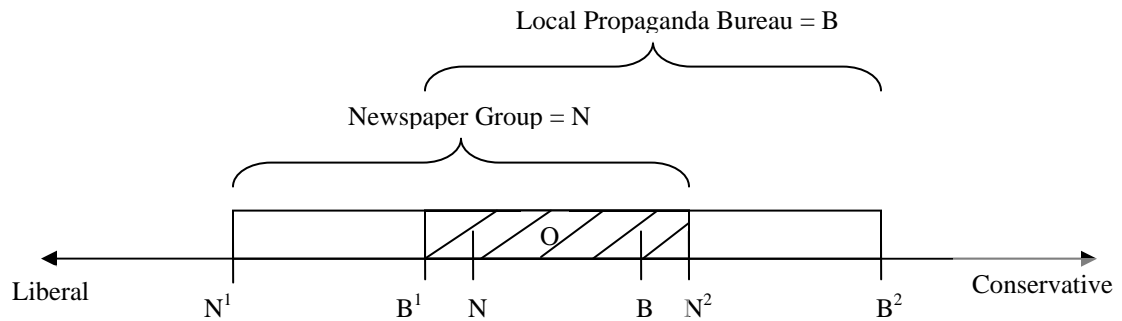
<sup>46</sup> I wish to thank one of the examiners for suggesting the idea of such a figure to strengthen the points I wish to make.

dictates of the party. In this regard, it has a more conservative orientation than the newspaper group.

Each newspaper group has an acceptance zone between  $N^1$  and  $N^2$  where making a policy decision that falls within this range will ensure that the group remains commercially viable. As for the local propaganda bureau, it also has an acceptance zone between the range  $B^1$  and  $B^2$ . Therefore, any newspaper group that moves further away from the ideal position of the local propaganda bureau at  $B$ , or even going beyond  $B^1$ , is more likely to face punitive measures imposed by the bureau.

But what is the actual state of affairs between the newspaper group and the local propaganda bureau? Is it a norm or an exception where the right limit of the newspaper group at  $N^2$  overlaps with the left limit of the local propaganda bureau zone at  $B^1$ ? It is argued here that, as a norm, both the acceptance zone of the *Southern Daily Newspaper Group* and *Liberation Daily Newspaper Group* overlap with the acceptance zone of the local propaganda bureaus that oversee them. This is due to the fact that both newspaper groups are party-affiliated and are expected to meet the demands of the party.

**Figure 2B: Continuum Scale that More Accurately Reflects the Relationship between the Newspaper Group and Local Propaganda Bureau**



**Figure 2B** more accurately reflects the type of relationship that exists between the two newspaper groups and their local propaganda bureaus. Both newspaper groups share an overlapping zone called O, ranging from  $N^2$  to  $B^1$ , with their local propaganda bureaus. However, a major difference between the two newspaper groups is that the size of this overlapping zone varies. It is argued that the size of the overlapping zone for the *Liberation Daily Newspaper Group* is comparatively bigger than the overlapping zone for the *Southern Daily Newspaper Group*. The factors that account for the size of this overlapping zone (or inversely, the size of the non-overlapping zone from  $N^1$  to  $B^1$ ) from the perspective of the two newspaper groups are mentioned below and will be further elaborated in Chapter 4. As for the factors behind the policy decisions of the local propaganda bureaus, they will be explained in Chapter 3 which examines the propaganda machinery that oversees the two newspaper groups.

It is worthwhile to recall that the formation of the newspaper groups was sanctioned by party. Tied to this point, the first factor that affects the policy decisions of the newspaper group is how it can first fulfill the ideological and political requirements of

the party. This task is usually carried out by the anchor newspaper in the newspaper group. Among the foremost tasks of the anchor newspaper is to report on the latest decisions or policies set by the party or government and to carry articles that support these decisions or policies.

Each of the two newspaper groups has a party committee headed by a party secretary. The party secretary is responsible for ensuring the newspaper group proper ideological and political direction, the appointment of key personnel (including the chief editors of each publication), the strategic orientation and key investment decisions involving the group. In the past, the party secretary could exercise a tighter supervision over the limited publications that he oversees. With the formation of newspaper groups, and the numerous publications that come under one roof, the party secretary's role is confined to ensuring that the group as a whole proceeds in a correct political and ideological direction. He is not involved in the daily operations of the publications. In this sense, the role of the party secretary and anchor publication is to ensure that the newspaper group as a whole operates within the overlapping zone O, or as close to the ideal position of the local propaganda bureau at B.

Once the political and ideological requirements are met, the sister publications of the newspaper group are given the leeway to carry articles that appeal to readers. In other words, the anchor publication lends overall legitimacy while its sister publications produce news that sells. Each publication has a chief editor and several editors. For a daily publication, the chief editor and editors meet daily to deliberate what news to carry



and the layout of the publication. This, however, does not mean that the sister publications can operate with unbridled restraint. It simply means that they do not need to have the same serious-oriented focus as the anchor newspaper and can focus on other topics. But the chief editor, editors and journalists are still expected to be aware of the sensitive areas or taboo subjects and work within the parameters set by the local propaganda bureau. Most of the time, the sister publications work within the overlapping zone O, closer to the left limit of the acceptance zone of the local propaganda bureau at  $B^1$ .

In producing articles that readers want, the sister publications may occasionally commit reporting infractions, either wittingly or unwittingly, and are punished by the local propaganda bureaus. When this happens, the relevant publications would have been deemed to have fallen beyond  $B^1$ , the left limit of the acceptance zone of the local propaganda bureau. The punitive measures imposed are usually specific to the individual or publication that is responsible for the reporting infractions. But as long as the anchor newspaper toes the party line by operating within the overlapping zone O, the operation of the newspaper group as a whole is unaffected.

The second factor that affects the policy decisions of the newspaper group is the local political context that the group operates in. The unique political environment in Shanghai and Guangdong will set the broad framework which the two newspaper groups have to contend with. It will be shown in Chapter 4 that the political environment in Shanghai is overall tighter than in Guangdong and this has an impact on the behavior of

the newspaper groups operating in these two localities. It will be shown that, partly because of this, the *Southern Daily Newspaper Group* in Guangdong is more able to experiment with interesting and daring ways of appealing to readers compared to the *Liberation Daily Newspaper Groups* in Shanghai. In other words, the *Liberation Daily Newspaper Group* is under greater constraint to work within the overlapping zone O than the *Southern Daily Newspaper Group*.

The last, but no less important, factor that affects the policy decisions of the newspaper group is the nature of the competition it faces and its response to this competition. Today, newspaper groups no longer receive any subsidy from the government or party. They have to manage their own finances and account for any profits or losses sustained. Usually, the anchor newspaper of the newspaper group hardly makes any money and could even be running at a loss. Yet, it cannot be shut down for obvious political and ideological reasons. It is therefore up to the sister publications to meet this revenue shortfall. Hence, the newspaper groups have to produce publications that readers want to remain commercially viable. Another important revenue source is advertising which in turn depends on how popular the publications are with readers. This is because the more popular a publication, the more advertising revenue it can attract.

As the key audience of publications under the newspaper groups, readers exert a strong influence on what is carried in the publications and how it is carried. The newspaper groups need to constantly find innovative ways to appeal to readers. The publications under the newspaper groups have to decide how to achieve this objective

which may or may not involve the need to cross reporting parameters. Whether reporting parameters are crossed would depend on whether this is a viable strategy to appeal to readers.

### **Appealing to Readers**

Four main areas will be looked to understand the strategies adopted by the *Southern Daily Newspaper Group* and *Liberation Daily Newspaper Group* to appeal to readers. They are (a) the changes the anchor newspapers have undergone; (b) the segmentization of readers via the sister publications; (c) the use of information technology; and, (d) the closure and launch of publications.

#### **(a) Anchor Newspapers**

A distinctive feature of the *Southern Daily Newspaper Group* and *Liberation Daily Newspaper Group* is that each is helmed by an anchor party newspaper. The anchor newspaper of the *Southern Daily Newspaper Group* is the *Southern Daily* (南方日报), a party newspaper of the Guangdong party committee since October 1949.<sup>47</sup> Likewise, the anchor publication of the *Liberation Daily Newspaper Group* is the *Liberation Daily* (解放日报), a party newspaper of the Shanghai municipal government established in Shanghai in May 1949.<sup>48</sup>

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<sup>47</sup> *Guangdong Nianjian 1987 (Guangdong Yearbook)*, p. 397.

<sup>48</sup> *Shanghai Nianjian 1996 (Shanghai Yearbook)*, p. 309.

As anchor newspapers, both the *Southern Daily* and *Liberation Daily* primary function is to fulfill the political and ideological requirements of the party. In terms of importance, the anchor newspapers enjoy a higher status compared to other publications in the two newspaper groups. The target audience of the anchor newspapers is the party and government officials that make and implement policies. Largely subscribed by government and party organizations, the anchor newspapers are not popular on newsstands. Despite having the security of official subscription, the anchor newspapers have to ensure that the articles they carry appeal to readers.

The most obvious indicators of how the *Southern Daily* and *Liberation Daily* is trying to stay relevant to readers is the increase in the number of published pages and the shift away from a predominant focus on ideological to economic and financial-related news.<sup>49</sup> The *Liberation Daily* started out with four pages in the late 1940s, increased them to eight in 1988, and ended up with 20 in 2002. In the 1990s, economic-related sections such as “Pudong Development” (浦东开发), “Shanghai: The Big Market” (上海大市场) and International Economy” (国际经济) were added to the main paper.<sup>50</sup>

The *Southern Daily* witnessed a similar trend. The newspaper grew from four pages in the 1940s to 12 pages in 1993 and finally ended up with 20 pages in 2002. In 1989, it devoted more attention to coverage of overseas news and news concerning Hong Kong and Macau.<sup>51</sup> In 2002, the newspaper included a section on city news that gave

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<sup>49</sup> Ibid., p. 310.

<sup>50</sup> Ibid.

<sup>51</sup> Beginning in 1989, there appeared to be greater maturity in terms of the method of reporting such as verifying a piece of news from various sources, engaging in indirect investigative reporting, and resorting

more coverage to developments in Guangdong, Shenzhen and the Pearl River Delta. It also consistently devotes four - eight pages to economic and financial news.<sup>52</sup>

In addition, both anchor newspapers regularly undergo facelifts and introduce new products to appeal to readers. For instance, since July 2005, the *Liberation Daily* has organized Cultural Forums where renowned Chinese personalities are invited to speak on selected topics related to the cultural scene. In the same year, it also issued limited commemorative envelopes with stamps to mark the successful orbit of earth by China's spacecraft, Shenzhou VI.<sup>53</sup> As for the *Southern Daily*, in May 2005, it underwent its fourth major reorganization of its layout since its last revamp in 2002, with greater focus on finance, industry, cultural and daily news. It also set up a 24-hour call centre to enable readers to report on the latest news.<sup>54</sup>

(b) Sister Publications

Besides the anchor newspapers, the other publications under the *Liberation Daily Newspaper Group* and *Southern Daily Newspaper Group* face even more intense market competition and readers' demands. This is because their target audience is not

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to a more systematic and organized way of following up on a piece of news. Examples of such reporting techniques were the articles on leading cadres in Suixi County (遂溪县) building private residences and the hostage taking of Wen Lingjuan (文零娟) carried in *Southern Daily* in 1989. See *Guangdong Nianjian 1990* (*Guangdong Yearbook*), pp. 475-476.

<sup>52</sup> Interview with a journalist with *Southern Daily*, Guangzhou, 12 May 2005 at 8.45 pm.

<sup>53</sup> *Shanghai Nianjian 2006* (*Shanghai Yearbook*), p. 292.

<sup>54</sup> Nanfang Ribao Jinri Disici Gaiban Xiang Guannianbao Zhuanhuan (*Southern Daily Undergoes Fourth Reorganization Towards a More Opinionated Paper*), *Xinlangwang*, 30 May 2005 (<http://finance.sina.com.cn/roll/20050530/09591635772.shtml>).

government and party officials but the general public. They rely predominantly on newsstands sales instead of official subscription.

**Appendix 2E** shows the publications under the *Liberation Daily Newspaper Group*. The group has altogether 11 newspapers and three journals, each with its own target audience. *Shanghai Morning Post* is popular with the urban working class because of its easy-to-read snippets of international news and more importantly, local news about society and the common people. It is the bestselling daily newspaper in Shanghai.<sup>55</sup> *Shanghai Evening Post*'s target audience is the evening crowd and its value-add is in capturing news that has happened in the day. *Shanghai Times*, a weekly issue, appeals to a young crowd with its attractive presentations and news on travel, fashion, jobs and entertainment.<sup>56</sup> *National Business Daily*, a daily newspaper, is the group's first cross-provincial publication started in November 2004 in collaboration with the *Chengdu Daily Newspaper Group*.

For comparison, **Appendix 2F** shows the structure of the *Southern Daily Newspaper Group*, with eight newspapers and three journals. The most popular are *Southern Weekend* and *Southern Metropolitan Daily*, known for their articles on official wrongdoings and abuse of power. The group also embarked on its first cross-provincial publication in November 2003 when the *Southern Daily Newspaper Group*, together with

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<sup>55</sup> Usually, by half-past-nine of every morning, most newsstands would have sold out their copies of *Shanghai Morning Post*. Conversations with news vendors along some streets in Shanghai from 7-21 April 2005.

<sup>56</sup> There are at least five small papers under the weekly issue which comes in a carrier bag at a retail price of only one *Yuan*.

*Guangming Daily Newspaper Group*, came up with *New Beijing Daily*, an 80-page metropolitan daily targeted at the Beijing market.

How popular are publications under the two newspaper groups with readers? **Table 2A** provides some indication of the *Liberation Daily Newspaper Group*'s popularity. On the one hand, the circulation volume of the flagship *Liberation Daily* has fallen from 239.7 million to 131.8 million copies in slightly over a decade from 1992-2003, a drastic decline of 45 per cent. On the other hand, the circulation volume of its sister publications like *Shanghai Morning Post* and *Shanghai Evening Post* have grown annually at 12.3 per cent and 14.7 per cent respectively within three years from 2001 to 2003. *Baokan Wenzhai* grew at a modest annual rate of 1.3 per cent over the same period. As for *Shanghai Times*, it continues to enjoy rising readership unlike other weekly newspapers around the country that face either declining or stagnant readership.<sup>57</sup>

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<sup>57</sup> Hu Xiaolan and Wang Xiaohong, "Interview with Xu Jinjiang, Chief Editor of *Shanghai Times*", in Xu Hong and Chen Binhua (eds.), *Yingxiang Weilai: Zhongguo Chuanmei 30 Ren (Influencing the Future: China's Media 30 Personalities)* (Beijing: Zhongguo Shehui Kexue Chubanshe, 2005), pp. 243-252.

**Table 2A: Circulation Volume and Advertising Revenue of  
Selected Publications under the *Liberation Daily Newspaper Group***

<b>Shanghai Municipality</b>					
<b>Year</b>	<b>Total No. of Newspapers in Shanghai (Circulation Volume in Million Yuan)</b>	<b>No. of Newspapers under <i>Liberation Daily Newspaper Group</i>, <i>Wenhui Xinmin Newspaper Group</i> &amp; Municipal Press and Publication Bureau</b>	<b>Circulation Volume of <i>Liberation Daily</i> in Million</b>	<b>Circulation Volume of <i>Shanghai Morning Post</i>, <i>Shanghai Evening Post</i>, <i>Baokan Wenzhai</i>, <i>Shanghai Times</i> respectively in Million</b>	<b>Advertising Revenue of <i>Liberation Daily Newspaper Group</i> in Million Yuan (Compared with <i>Wenhui Xinmin Newspaper Group</i>)</b>
1992	-	-	239.7	-	-
1993	83 (1995.3)	-	237.2	-	-
1994	87 (1864.5)	-	211.8	-	-
1995	87 (1903.7)	-	-	-	-
1996	87 (1893.0)	-	189.7	-	-
1997	87 (1934.3)	-	182.3	-	-
1998	80 (1973.4)	-	181.5	-	-
1999	75 (1841.6)	-	153.7	-	-
2000	72 (1674.1)	32 (44%)	145.7	N.A.; N.A.; 152.3; -	-
2001	74 (1693.9)	32 (43%)	149.5	106.2; 42.0; 132.4; -	530 (800)
2002	72 (1641.1)	29 (40%)	137.4	135.3; 58.3; 125.7; -	530 (800)
2003	71 (1696.9)	30 (42%)	131.8	150.3; 63.3; 158.5; 0.4	-
2004	-	-	-	-	833 (-)

Sources: Various issues of *Zhongguo Xinwen Nianjian (China Journalism Yearbook)*, *Shanghai Nianjian (Shanghai Yearbook)* and interviews in Shanghai.

In Shanghai municipality, the total number of newspapers under the three largest newspaper groups, namely the *Liberation Daily Newspaper Group*, the *Wenhui Xinmin Newspaper Group* (formed in 1998), and the Press and Publication Bureau occupies 40 per cent or more of the total number of newspapers in each of the four years from 2000 - 2003. The total advertising revenue of the *Liberation Daily Newspaper Group* and *Wenhui Xinmin Newspaper Group* stands at 530 and 800 million *Yuan* respectively in each of the years of 2001 and 2002. In 2002, the advertising revenue of both newspaper groups comprises 88% of the total advertising revenue in the newspaper industry in



Shanghai.<sup>58</sup> In particular, the advertising revenue of *Liberation Daily Newspaper Group* from 2001 to 2004 rose from 530 to 833 million *Yuan*, an annual increase 16.3 per cent over three years.

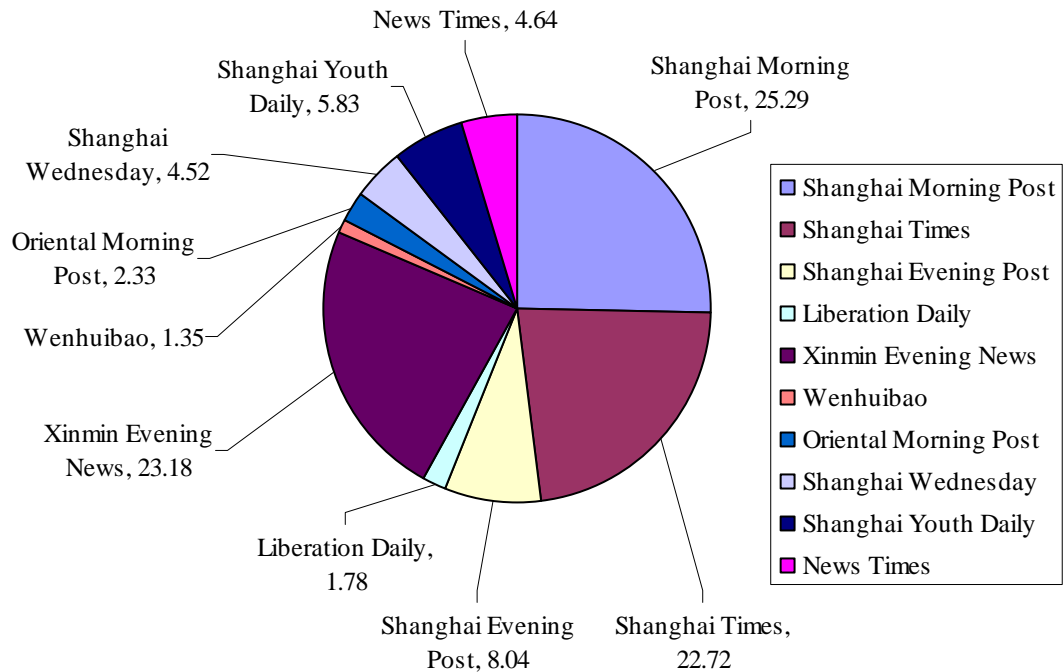
The direct competitor to *Liberation Daily Newspaper Group* is *Wenhui Xinmin Newspaper Group*. The competition is such that both are able to capture a unique segment of readers. Over time, this has evolved into a sort of “give-and-take” with each getting something out of the competition rather than engaging in “all-out” competition. For instance, *Shanghai Morning Post* of the *Liberation Daily Newspaper Group* is most popular in the day newspaper market while *Xinmin Evening News* of the *Wenhui Xinmin Newspaper Group* appeals to readers in the night newspaper market. Also, according to **Figure 2C**, in terms of retail share of city newspapers in Shanghai municipality, the *Liberation Daily Newspaper Group* is the clear leader occupying 57.8 per cent with its four publications, namely, *Shanghai Morning Post* (新闻晨报), *Shanghai Times* (申江服务导报), *Shanghai Evening Post* (新闻晚报) and *Liberation Daily* (解放日报). In contrast, *Wenhui Xinmin Newspaper Group* occupies a clear second at 31.4 per cent with its four publications, namely, *Xinmin Evening News* (新民晚报), *Wenhuibao* (文汇报), *Oriental Morning Post* (东方早报) and *Shanghai Wednesday* (上海星期三).<sup>59</sup>

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<sup>58</sup> *Zhongguo Xinwen Nianjian 2003 (China Journalism Yearbook)*, p. 133.

<sup>59</sup> *Zhongguo Wenhua Chanye Niandu Fazhan Baogao (China Cultural Industry Annual Development Report)* (Beijing: Hunan Renmin Chubanshe, 2006), pp. 131-132.

**Figure 2C: 2005 Shanghai Municipality Newspaper Retail Share  
(By Percentage)**



**Table 2B** below shows the circulation volume of selected newspapers under the *Southern Daily Newspaper Group*, namely, the anchor newspaper *Southern Daily*, and two other publications, *Southern Weekend* and *Southern Metropolitan Daily*. Although the circulation volume of *Southern Daily* has fluctuated over the years, the general trend is one of decline. However, the percentage of decline from 285.5 million copies in 1992 to 273.8 million in 2003 constitutes only a drop of 4.1 per cent, a small figure compared to the drastic fall of 45 per cent experienced by *Liberation Daily* over the same period.

Indeed, for the past 21 years (up till end 2005), the circulation volume and advertising revenue of *Southern Daily* is the highest among the provincial level party newspapers.<sup>60</sup>

**Table 2B: Circulation Volume and Advertising Revenue of Selected Publications under the Southern Daily Newspaper Group**

<b>Guangdong Province</b>					
Year	Total No. of Newspapers in Guangdong (Circulation Volume in Million)	Circulation Volume of <i>Southern Daily</i> in Million	Circulation Volume of <i>Southern Weekend</i> in Million	Circulation Volume of <i>Southern Metropolitan Daily</i> in Million	Advertising Revenue of <i>Southern Daily Newspaper Group</i> in Million Yuan (*)
1992	-	285.5	33.3	-	-
1993	110 (2098.6)	265.0	44.6	-	-
1994	127 (2156.2)	319.7	43.4	-	-
1995	-	-	-	Established	-
1996	130 (2511.8)	253.1	43.0	1.8	-
1997	131 (2587.2)	246.6	53.0	14.8	-
1998	128 (2797.4)	238.8	60.3	94.9	Established 270
1999	113 (3176.1)	266.2	-	-	-
2000	101 (3462.7)	292.0	79.5	185.0	-
2001	120 (3897.0)	273.8	67.6	376.0	-
2002	126 (4257.2)	273.8	66.6	427.1	-
2003	128 (4247.6)	273.8	66.6	514.7	1700 (2380; 1988; 910)

**Legend:** (\*) indicates the advertising revenues in million *Yuan* for other renowned newspaper groups in Guangdong, namely the *Shenzhen Daily Newspaper Group*, *Guangzhou Daily Newspaper Group* and *Yangcheng Evening Newspaper Group* respectively.

**Sources:** Various issues of *Zhongguo Xinwen Nianjian (China Journalism Yearbook)*, *Guangdong Nianjian (Guangdong Yearbook)* and interviews in Guangzhou.

Worth highlighting is that the circulation volume of *Southern Weekend* and, in particular, *Southern Metropolitan Daily* has experienced exponential growth since the group was formed in 1998. The annual increase in circulation volume of *Southern Weekend*, a weekly issue, over a six-year period from 1998 to 2003 was 1.7 per cent while that of *Southern Metropolitan Daily* over the same period was an impressive 32.6

<sup>60</sup> *Guangdong Nianjian 2006 (Guangdong Yearbook)*, p. 435.

per cent. Indeed, the circulation volume of *Southern Metropolitan Daily* surpassed *Southern Daily* in 2001 at 376 million copies as opposed to the latter's 273.8 million copies. The *Southern Daily* circulation volume has stagnated at 273.8 million copies for three consecutive years since 2001.

Another interesting trend is that the advertising revenue of *Southern Daily Newspaper Group* increased from 270 to 1700 million *Yuan* from 1998 to 2003, an annual increase of 44.5 per cent over a five-year period. This increase is significantly higher than the annual increase of 16.3 per cent in advertising revenue over a three-year period of the *Liberation Daily Newspaper Group* from 2001 to 2003.

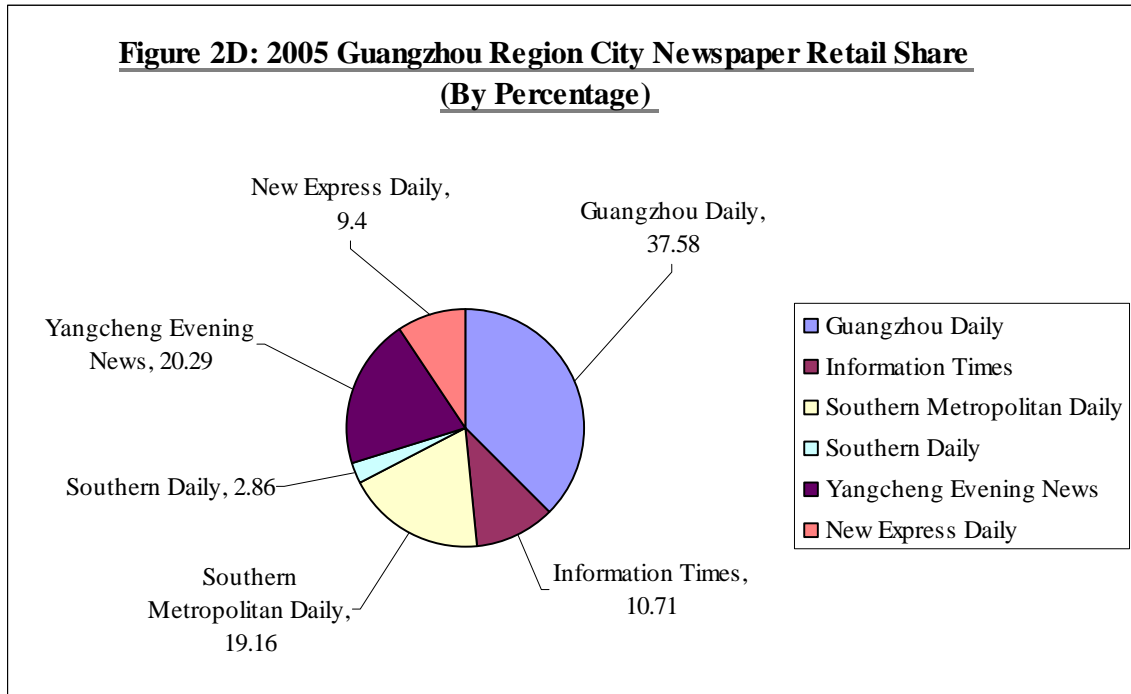
In Guangzhou, the *Southern Daily Newspaper Group* immediate competitors are *Guangzhou Daily Newspaper Group* and *Yangcheng Evening Newspaper Group*.<sup>61</sup> According to **Figure 2D**, in terms of retail share of city newspapers, *Guangzhou Daily* (广州日报) and *Information Times* (信息时报) under the *Guangzhou Daily Newspaper Group* occupy the top spot at 48.3 per cent; *Yangcheng Evening News* (羊城晚报) and *New Express Daily* (新快报) under the *Yangcheng Evening Newspaper Group* is second at 29.7 per cent; while *Southern Metropolitan Daily* (南方都市报) and *Southern Daily* (南方日报) ranks third at 22 per cent.<sup>62</sup> Besides Guangzhou, the retail sales of *Guangzhou Daily* in other cities in Guangdong such as Foshan, Zhongshan, Dongguan and Jiangmen have generally been ahead of *Yangcheng Evening News* and *Southern*

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<sup>61</sup> Guangzhou here refers not only to the city centre but also the 10 districts and two county-level cities bordering the city.

<sup>62</sup> *Zhongguo Wenhua Chanye Niandu Fazhan Baogao (China Cultural Industry Annual Development Report)*, pp. 132-133.

*Metropolitan Daily*.<sup>63</sup> The *Southern Daily Newspaper Group* thus faces very strong competitors with no clear lead in any particular market segment.



(c) Use of Information Technology (IT)

To meet the changing needs of society and widen their reach, the two newspaper groups have aggressively tapped new platforms offered by rapid advances in technology. They also constantly improve the services offered by these platforms.

In July 2005, *Southern Daily* became the first in Guangdong to enable mobile phone users to access an online edition of the daily. In August 2005, *Nanfangwang*, the

<sup>63</sup> Guangzhou Ji Zhujiang Sanjiaozhou Bufen Diqu Doushibao Lingshou Zhuangkuang (City Newspaper Retail Sales Situation in Guangzhou and Select Areas of Pearl River Delta), *Renminwang*, 21 August 2006 (<http://media.people.com.cn/GB/22114/45733/69711/4726098.html>).

news website under the *Southern Daily Newspaper Group*, launched its first online magazine called “WOW! ZINE • 物志”. It focuses on a wide range of consumer products and is targeted at readers between 25-35 years old.<sup>64</sup> In January 2006, the newspaper group, in collaboration with China Telecoms, launched an Internet portal called “Yue Yi Wang” (粤一网) that allows subscribers access to various types of news covering Guangdong and Hong Kong.<sup>65</sup> This portal improves on an earlier version that focuses predominantly on news related to Shenzhen, a city in Guangdong.

Not to be outdone, the *Liberation Daily*, in collaboration with Shanghai Mobile Communications, launched Shanghai’s first mobile phone news service called i-news in January 2006. In March 2006, the *Liberation Daily Newspaper Group* launched a digital magazine called i-mook or “Mo Ke” (摩客) that allows viewers to flip through the entertainment-rich magazine accompanied by animations, background music and appealing colors. Its most distinctive color is green, deliberately picked to convey the message that the latest piece of news can be found here as green is normally associated with “freshness”.<sup>66</sup> In April 2006, the newspaper group unveiled what is believed to be the world’s first electronic newspaper called i-paper. It allows readers to read an online version of *Liberation Daily* as it would appear in hard copy.

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<sup>64</sup> Chuanmei Jituan Ban Wangluo Zazhi (Media Group Launches Online Magazine), *Xinhuanet*, 31 August 2007 ([http://news.xinhuanet.com/newmedia/2005-08/31/content\\_3426273.htm](http://news.xinhuanet.com/newmedia/2005-08/31/content_3426273.htm)). The magazine is at <http://www.wowzine.cn>.

<sup>65</sup> The portal is at <http://www.oooo.com>.

<sup>66</sup> The magazine is at <http://www.imook.com>.

(d) Publications Closure and Launch

Publications under the two newspaper groups that fail to appeal to readers are closed down and new publications are added, where necessary, to appeal to a particular niche market. The closure of unpopular publications and launch of new ones provide another indicator of how the two newspaper groups constantly try to stay relevant to readers.

*Shanghai Afternoon Post* (新闻午报) used to be a publication under the *Liberation Daily Newspaper Group*. It was supposed to complement the *Shanghai Morning Post* and *Shanghai Evening Post* to capture a bigger market share. *Shanghai Morning Post* was targeted at the urban working class while *Shanghai Evening Post* catered to the evening crowd. As for *Shanghai Afternoon Post*, which normally hits newsstands at 1-2 pm, it was supposed to target a niche group of afternoon readers.

In practice, however, *Shanghai Afternoon Post* could not value-add as *Shanghai Morning Post* and *Shanghai Evening Post* already had the readers' market well covered. While *Shanghai Morning Post* would include events that occurred in the night, the news that occurred during the day would already be covered by *Shanghai Evening Post*. Moreover, the sale of *Shanghai Afternoon Post* in the early afternoon was poor since most people were at work. The publication soon became a financial liability and was forced to close down. Its closure prevented unnecessary competition for readers among

publications under the same newspaper group and consolidated the market positions of *Shanghai Morning Post* and *Shanghai Evening Post*.<sup>67</sup>

*Nanfang Sports* (南方体育报) used to be a popular publication under the *Southern Daily Newspaper Group*, focusing on sports news in the lead-up to the 2002 World Cup. However, after 2002, the publication came under intense competition from other general newspapers that also covered sports, the availability of sports news on the Internet and other sports publications. On its part, *Nanfang Sports* also shifted its focus to include other non-sports news. This made it no different from other general newspapers. Hence, it soon lost its market niche and was forced to shut down in August 2005.<sup>68</sup>

The publication number of *Nanfang Sports* has now been taken over by a new publication under the *Southern Daily Newspaper Group* called *Southern Metropolis Weekly* (南都周刊). Steering clear of sports news, this publication focuses on entertainment and daily news.

## Conclusion

In the past, the sole purpose of the print media was political indoctrination and mass mobilization. Merely listening to the party was enough. Today, the print media has to meet the rising expectations of readers on top of its party commitments. The *Southern*

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<sup>67</sup> Discussion with an Assistant President from Shanghai Academy of Social Science, Singapore, 29 May 2007 at 9.30 am.

<sup>68</sup> Queshao Mouli Nengli “Nanfang Tiyu” 八月三十日 Tingkan (Lacking the Ability to Secure Profits “Nanfang Tiyu” Announces its Closure), *Xinhuanet*, 25 September 2006 ([http://news.xinhuanet.com/newmedia/2005-08/30/content\\_3419978.htm](http://news.xinhuanet.com/newmedia/2005-08/30/content_3419978.htm)).



*Daily Newspaper Group* and *Liberation Daily Newspaper Group* are no exceptions. To stay commercially viable, they aggressively tap new media to stay relevant to the tech-savvy generation and extend their reach. Unprofitable publications are forced to close down. Even anchor publications like the *Southern Daily* and *Liberation Daily*, despite having the security of official subscription, are constantly adapting to stay relevant.

The sister publications under the two newspaper groups are under greater pressure to respond to readers since they rely essentially on newsstands sales. They focus on appealing to particular segment of readers. The *Liberation Daily Newspaper Group* has captured the day newspaper market, leaving its immediate competitor, the *Wenhui Xinmin Newspaper Group*, a share of the night newspaper market. Also, the more popular publications under the *Liberation Daily Newspaper Group* occupy a leading position in terms of retail sales vis-à-vis the *Wenhui Xinmin Newspaper Group*.

The more popular publications under *Southern Daily Newspaper Group* are *Southern Metropolitan Daily* and *Southern Weekend*. They have done well individually. In terms of retail sales, however, the *Southern Metropolitan Daily* and the anchor newspaper, the *Southern Daily*, is in third place compared to equivalent publications under the *Guangzhou Daily Newspaper Group* and *Yangcheng Evening Newspaper Group*. The three newspaper groups are also competing intensely at all levels with the *Southern Daily Newspaper Group* having no clear lead in any particular market segment.

In meeting readers' preferences, both the anchor and sister publications under the two newspaper groups increasingly have a stake in society. To be sure, responding to the needs of readers does not mean that the two newspaper groups cannot meet the requirements of the party. Rather, the more significant development is that readers have become indispensable in the daily operations of the two newspaper groups. The two newspaper groups have therefore moved closer to society, blurring the distinction between them as state actors and readers as members of society. They have to take account of readers preferences while meeting the ideological and political requirements of the party. This balance is not always easy to strike as the next chapter will show when we look at the reporting infractions committed by the two newspaper groups.

### **Chapter 3: Propaganda Control and Reporting Infractions**

An understanding of the strategies by *Southern Daily Newspaper Group* and *Liberation Daily Newspaper Group* to appeal to readers may give the wrong impression that they enjoy considerable freedom. As they do not operate in a political vacuum, it is important to understand where they fit in the overall framework of propaganda control.

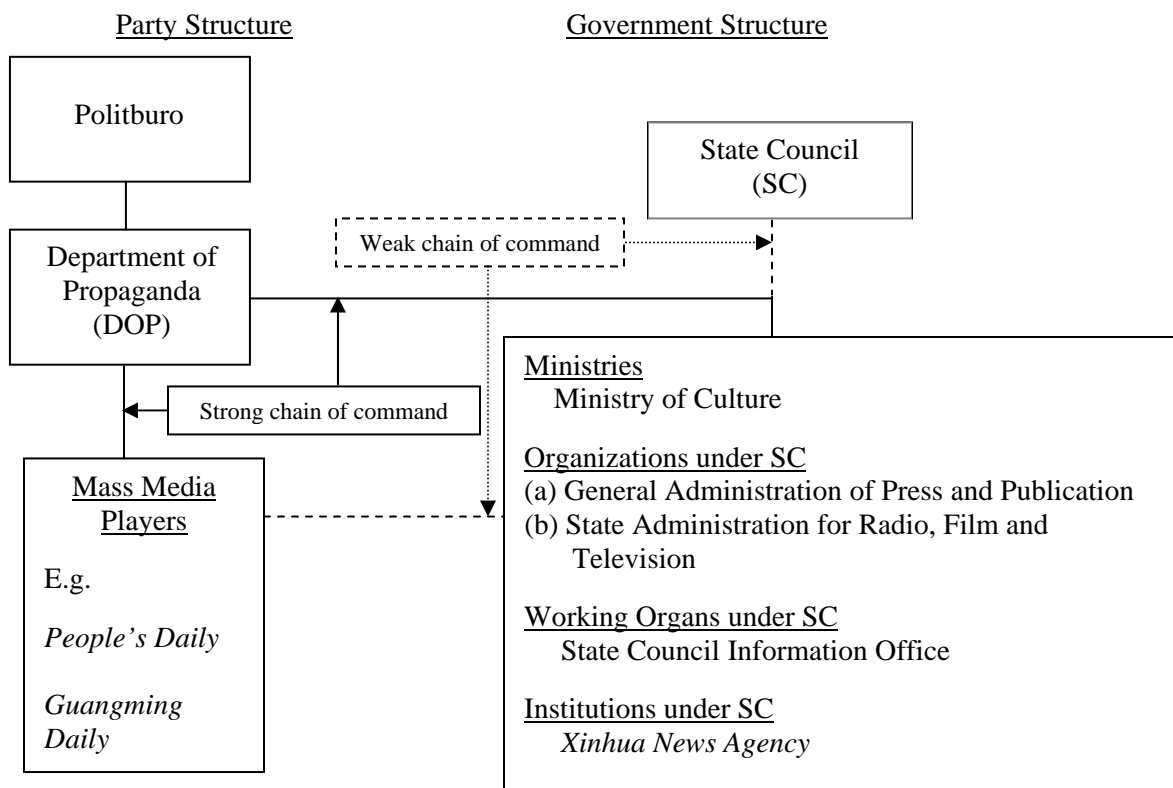
This chapter looks at the party and state institutions that oversee the two newspaper groups and the factors that affect the policy decisions of the local propaganda bureaus including their control measures. More importantly, this chapter will examine instances where publications under the two newspaper groups cross reporting parameters and are sanctioned by the local propaganda bureaus. Is this a strategy used to appeal to readers? Are there any differences in these reporting infractions? Are there differences in the punishment meted out by the local propaganda bureaus? If so, what are they?

The final aspect that will be covered is whether journalists and editors that flout reporting parameters are entirely at the mercy of the local propaganda bureaus? What kind of reactions can the local propaganda bureaus expect if the punishment meted out is perceived to be unreasonable? If any, the reactions will have implications for the control of the local propaganda bureaus over the newspaper groups.

## Propaganda Machinery

The institutional system that governs China's mass media as a whole can be divided into government and party institutions. **Figure 3A** below highlights the system at the national level. At the governmental level, the key organizations under the State Council, China's de facto cabinet, that are involved in information flow and control include the Ministry of Culture, State Administration of Radio, Film and Television (SARFT), General Administration of Press and Publication (GAPP), State Council Information Office (SCIO) and *Xinhua News Agency*.<sup>69</sup>

**Figure 3A: Party and State Organizations Overseeing the Media (National Level)**



<sup>69</sup> The *Xinhua News Agency* is the state news agency and an authoritative source of information.

The two most important government institutions that have a direct impact on the role of the print media is the GAPP and, to a lesser extent, the SARFT. The predecessor of GAPP, known as the General Administration of Publication, was formed in November 1949 and was responsible for overseeing the nationwide publication industry.<sup>70</sup> After some reorganization, the GAPP was formed in 2000 as a ministerial level organization, indicating the importance attached to this body.<sup>71</sup> Today, the GAPP oversees 39 newspaper media groups, 14 publication groups and 8 distribution groups.

The predecessor of SARFT, known as China Broadcasting Affairs Management Division (Zhongguo Guangbo Shiye Guanlichu), was formed in June 1949 and oversaw matters related to radio, film and television. It became an organization under the State Council in March 1998.<sup>72</sup> While all technical and administrative matters related to radio, film, television, satellite and the Internet fall under government responsibility, matters with a propaganda slant would come under the purview of the Department of Propaganda.

The Ministry of Culture is not directly responsible for print media matters. At times, however, the Ministry of Culture would require the print media to disseminate information that promote cultural understanding and national integration among the various ethnic groups in China or cultural exchanges between China and foreign

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<sup>70</sup> The General Administration of Publication was disbanded in November 1954 and its functions taken over by the Ministry of Culture. In July 1973, the National Publication Affairs Management Bureau was formed and was renamed the Press and Publication Administration in January 1987. In 2000, it was again renamed the General Administration for Press and Publication.

<sup>71</sup> A write-up of the GAPP can be found at <http://www.gapp.gov.cn>.

<sup>72</sup> A write-up of SARFT can be found at <http://www.chinasarft.gov.cn>.

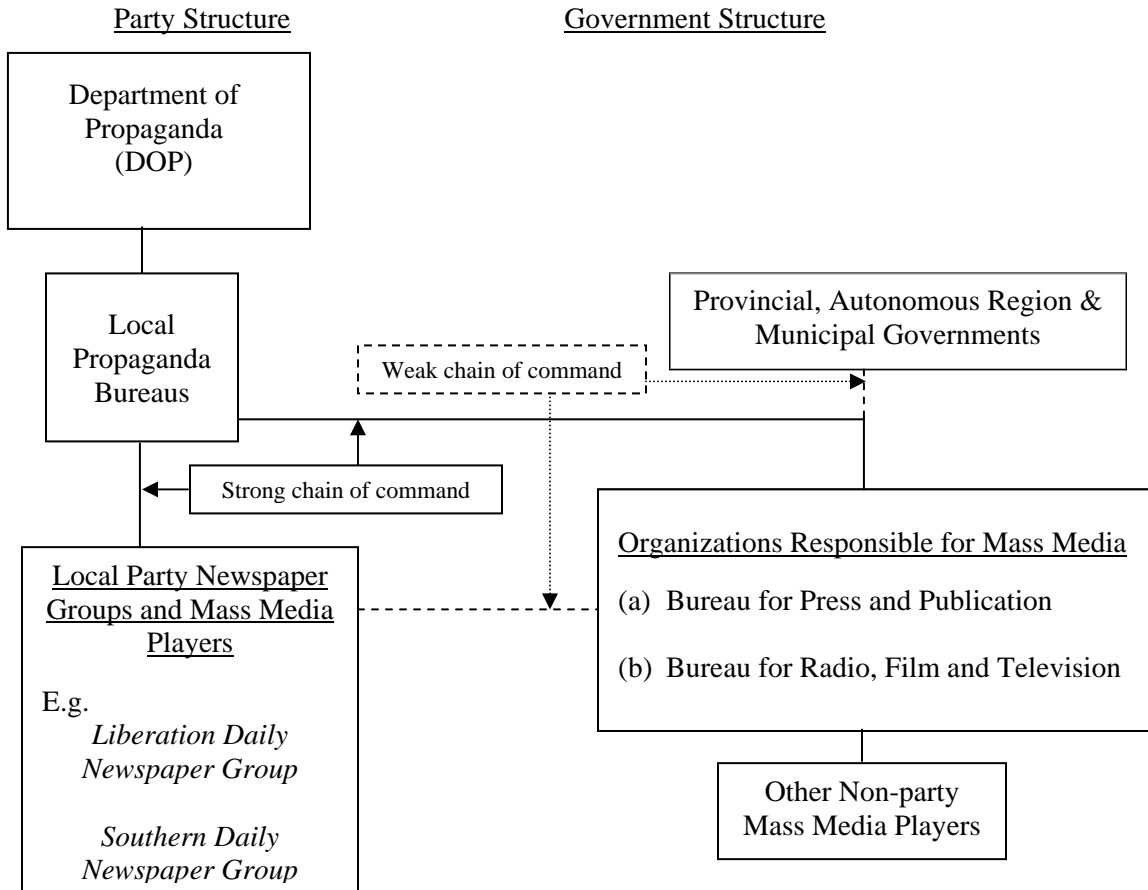
countries. As for the SCIO, its primary role is to publicize China to the world through timely and articulate presentation of China's policies, positions on issues, economic development, history and culture.<sup>73</sup> To achieve this objective, it taps the resources which the various media channels in China offer.

Although the institutions described above are national level organizations, each of them has provincial or lower level bodies (see **Figure 3B** below for further details). For instance, the GAPP has a bureau in each of the 31 provinces, autonomous regions and municipalities in China. Each of these bureaus is in turn responsible for lower-level branches below the provincial level. Also, under the SARFT are the provincial equivalents which themselves have lower-level organizations below them. In theory, all mass media players, whether they belong to the party or not, come under the purview of the respective local branches of the GAPP or SARFT. The local party newspaper groups like the *Liberation Daily Newspaper Group* in Shanghai and the *Southern Daily Newspaper Group* in Guangdong are no exception.

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<sup>73</sup> At times, the Chinese Premier chairs conferences organized by the SCIO of which one of the most important occurs immediately after the conclusion of the annual National People's Congress in March of every year. See "Zongli 'Da Jizhe Wen' Xinwen Fabuhui Yeshe Yizhong 'Ruan Liliang' " (Premier Replies to Reporters Queries: Press Conferences is a Form of 'Soft Power'), *Renminwang*, 15 March 2005 (<http://media.people.com.cn/GB/40606/3243886.html>).

**Figure 3B: Party and State Organizations Overseeing the Media**  
**(One level below Beijing)**



On the party side, the foremost organization for media control is the Department of Propaganda (DOP) of the Central Committee, formed as early as the Second Party Congress in 1922. The DOP reports directly to the Political Bureau on matters related to information dissemination and control, and is currently headed by Liu Yunshan, a Political Bureau member. **Table 3A** below shows the present and past leaders of the DOP. The head of the DOP usually holds a concurrent appointment in other party organizations such as Secretary of the Secretariat of the Party Central Committee or more importantly, the Political Bureau. Since 1992 in particular, the head of DOP is concurrently a Political

Bureau member, indicating the importance the Party attaches to the role played by this organ.

**Table 3A: Heads of the Central Propaganda Department since 1978**

<b>Name</b>	<b>Date of Appointment</b>	<b>Concurrent Appointment</b>
Zhang Pinghua (张平化)	October 1977	Central Committee Member
Hu Yaobang (胡耀邦)	December 1978	Political Bureau Member
Wang Renchong (王任重)	February 1980	Secretary, Secretariat of the Central Committee
Deng Liqun (邓力群)	April 1982	Secretary, Secretariat of the Central Committee
Zhu Houze (朱厚泽)	July 1985	Central Committee Member
Wang Renzhi (王忍之)	January 1987	Central Committee Member
Ding Guangen (丁关根)	November 1992	Political Bureau Member
Liu Yunshan (刘云山)	Since November 2002 to date	Political Bureau Member; Secretary, Secretariat of the Central Committee

Source: *China Directory in Pinyin and Chinese* (Kanagawa, Japan: Radio Press Printing Company), various issues.

The DOP is primarily responsible for monitoring content to ensure that China's publishers, in particular its news publishers, do not print anything inconsistent with the CCP's political dogma. It achieves this objective through three main avenues: (a) screening all books and articles related to the national leaders, significant political issues, and policies relating to foreign diplomacy, nationalities, religion or other issues regarded as sensitive; (b) issuing notices informing publishers and editors the stories that can and cannot be covered, and telling them the ideological standpoint to adopt when discussing certain issues; and (c) requiring publishers, editors and journalists to attend indoctrination sessions where they are instructed on the proper ideological approach when covering politically sensitive topics.<sup>74</sup>

<sup>74</sup> 2002-2004 Congressional-Executive Commission on China at (<http://www.cecc.gov/>).



Although both the party and state institutions appear to have clearly defined job scopes and separate responsibilities, it is the DOP that wields real control over the media under the rule known as the party principle, by which the media must adhere ideologically to the party line, propagate the party message and obey its policies and directives. The DOP guides and supervises the work of several state bodies within the central government including the SARFT, GAPP and SCIO. In Chinese administrative parlance, these government bodies lie within the network or *xitong* of the propaganda machinery of the party and fall under the oversight of the DOP.

The DOP has an extensive network of departments at the lower administrative levels which exercise overall responsibility for the various newspapers and other media channels under them. As indicated in **Figure 3B**, the local propaganda bureaus, like the DOP in Beijing, has final say over how matters deemed sensitive by the party can be publicized. The local propaganda bureaus reports directly to the DOP at the centre and is not accountable to local governments. The local newspaper groups like the *Liberation Daily Newspaper Group* and *Southern Daily Newspaper Group*, while abiding by the regulations set by the GAPP or to some extent the SARFT, is accountable to their local propaganda bureaus. The local propaganda bureaus have the authority to take punitive actions against the newspaper groups either directly or through the GAPP.

## Exercising Control

Having outlined the institutions of control, it is necessary to look at the factors that affect the policy decisions of the two local propaganda bureaus as well as the types of control that the bureaus exercise over the two newspaper groups. The factors that influence the policy decisions of the local propaganda bureaus can be looked at from three main levels.<sup>75</sup>

At the first level, the DOP in Beijing will issue regular guidelines to the local propaganda bureaus. These guidelines will contain a list of items that can or cannot be reported or where caution has to be exercised when reporting on a certain issue or topic. The local propaganda bureaus will disseminate these guidelines to the newspaper groups they oversee. There is no limit as to how frequent such guidelines are issued as this depends on situational requirements.

Any guideline issued by the DOP is expected to be adhered to. For instance, just before the 16<sup>th</sup> Party Congress in June 2002, the DOP instructed its lower propaganda branches to ensure that the various mass media channels under their jurisdiction either exercise caution or refrain entirely from reporting on issues in at least 35 areas such as

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<sup>75</sup> The points in this section were obtained from two sources: (i) a conversation with a lecturer from Jinan University who was in Singapore on 27 May 2007 at 2.00 pm and who is familiar with the workings of the *Southern Daily Newspaper Group*; and, (ii) a journalist friend of this same lecturer who works for the *First Financial Daily* (第一财经), an economic journal in Shanghai. This journalist is familiar with the workings of the *Liberation Daily Newspaper Group*.

the admission of private capitalists into the CCP, tax reform in rural areas and the adverse impact on certain professions arising from China's WTO membership.<sup>76</sup>

In addition, where there are important speeches, policy pronouncements or decisions made by central leaders, all state-media organizations, including newspaper media groups, are required to adhere to the official version carried by *Xinhua News Agency*. Such occasions will be made known beforehand. Other state media channels have to reproduce in full what is carried by *Xinhua*. Failure to do so may result in punitive measures.

At the second level, on the part of the local propaganda bureaus, they also issue guidelines on what can or cannot be carried or when caution is to be exercised when reporting on a certain issue or topic. These guidelines can either be a further elaboration of the central guidelines or they can be issued based on developments or events that occur at the local levels. Failure to adhere to the guidelines issued either by the local propaganda bureau or DOP constitute a breach of reporting parameters. Again, the frequency of these guidelines depends on situational requirements.

Within each of the local propaganda bureaus, there is a department called the Reading and Evaluation Small Group (阅评小组), comprising existing and retired party officials, whose job is to sieve through publications to determine if they have crossed reporting parameters. On a daily basis, the two newspaper groups will submit a copy of

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<sup>76</sup> "Chuanmei Biancai Jinqu Neirong" (Media Selection and Handling of Taboo Subjects), *Ming Pao*, 21 June, 2002. See also a list of 35 out-of-bound areas for reporting and manipulation allegedly issued by the DOP on 5 June 2002 at <http://www.asiademo.org/gb/2002/06/20020628c.htm>.

each of their publications to this group for evaluation. Once violations are spotted, the local propaganda bureaus can either inform the relevant newspaper groups directly to take appropriate action to rectify the mistake or work through the relevant state media control agencies to take action.

At the first and second levels mentioned above, the intention of the DOP and local propaganda bureaus is to ensure either that the correct direction is set or proper instruction is given to guide the newspaper groups. There would however be instances where no proper directions or instructions can be issued beforehand which constitute the third level.

At this third level, where existing instructions do not cover or have yet to cover, the publications will be judged whether it has done the “right thing” based on public reactions to the article. If the article generates a public response which the local propaganda bureaus perceives as posing a threat to the peace or stability of either Shanghai or Guangdong, then it will be considered to have done something wrong and the appropriate punitive measures will follow.

A situation could even arise, although remote, where the publication adheres to the guidelines or reporting parameters set, but the public reaction to the article is considered by the local propaganda bureaus to be adverse. In such an instance, the publication could be considered to have done something wrong and the appropriate punitive measures will follow depending on how serious the mistake is.

Once violations are spotted, there are many actions that can be taken either by the local propaganda bureaus directly or indirectly through the local departments under the SARFT or GAPP. This may range from a simple warning letter to the publication, transfer or dismissal of the journalist who wrote the article or the editor who sanctioned its publication, or a ban on the publication, to the imprisonment of the relevant editors and journalists.

Another means of control is the requirement of a publication number or magazine number to be issued by the GAPP before a publication can publish. A publication that fails to abide by the directives or guidelines set risk having the GAPP or its lower branches revoke its license number, thus resulting in forced closure and loss of income to the affected company.<sup>77</sup> A less onerous measure would be for the GAPP or its lower branches to suspend a publication for a certain period of time while personnel changes are made to ensure a management more amenable to the authorities. The GAPP could also restrict the quantity of a publication pending full adherence to its requirements.

### **Reporting Infractions**

After elaborating on the factors that motivate the local propaganda bureaus to take action, this section will look at the reporting infractions committed by publications under the *Southern Daily Newspaper Group* and *Liberation Daily Newspaper Group*. This will

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<sup>77</sup> “Xinwen Chuban Zongshu Quanguo ‘Saohuang’ Ban Gongbu 60 Zhong Feifa Baokan Mingdan” (The National Office Responsible for Pornography under the General Administration of Press and Publication Announces List of 60 Illegal Newspapers and Journals), *People’s Daily*, 19 November 2004, p. 8.

help to determine the degree of seriousness of the infractions committed and the nature of the response of the local propaganda bureaus to these infractions.

*Liberation Daily Newspaper Group: Occasional Minor Infractions*

(a) *Liberation Daily*

The *Liberation Daily Newspaper Group* has a reputation of working within limits set by the propaganda authorities. In particular, the *Liberation Daily* used to only carry news that reflect the party's thinking and policies although it has increasingly expanded its coverage to include news concerning the ordinary people to address declining readership.<sup>78</sup> Generally, its reporting style is non-confrontational and the intended message conveyed is indirect and subtle.

A journalism professor at Fudan University, who spent many years as a newspaper editor, recalled that sometime in July 2003, an incident occurred in Shanghai where part of a underground road tunnel under construction experienced massive soil movement that caused the surrounding land to sink.<sup>79</sup> Rather than focus on this incident per se, *Liberation Daily* chose a unique reporting angle that set itself apart from other newspapers.<sup>80</sup> It focused on efforts by individuals and government leaders to minimize

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<sup>78</sup> Shi Dong (ed.), *Gaige Kaifang Zhongde Jiefang Ribao (Liberation Daily During the Reform and Open Door Period, Internal Document)* (Shanghai: Jiefang Ribaoshe, 1998), pp 503-504. See also "State Media Urged to be Innovative", *South China Morning Post*, 2 April 2003.

<sup>79</sup> Interview with a professor from the Journalism School at Fudan University, Shanghai, 12 April 2005 at 10 am.

<sup>80</sup> "Renmin Liyi Gaoyu Yiqie" (The People's Interest Supercedes All Else), *Liberation Daily*, 6 July 2003.

the inconveniences caused by the soil movement. In particular, it described how employees at a taxation bureau, situated nearest to the tunnel, were frantically shifting files and other equipment because they were worried that the taxation bureau was structurally unsafe due to the soil movement and would soon collapse. If the taxation bureau collapsed, the taxation records of the entire city would be lost. Hence, it became urgent for the staff and equipment to be evacuated. By highlighting the flurry of activities at the taxation bureau and nearby buildings, *Liberation Daily* sidestepped the issue of who should be held responsible for the mishap.

In contrast, the same Fudan professor of journalism recalled that *Southern Weekend*, a publication under the *Southern Daily Newspaper Group*, used a different approach when reporting on the same incident. It adopted a “blame-seeking” approach by focusing on events leading to the soil movement, particularly the contractor responsible for the construction. As it turned out, the contractor was a company registered in Beijing and not Shanghai. If it had been registered in Shanghai, the Fudan professor surmised that *Southern Weekend* would have had a field day criticizing Shanghai for its poor construction standards. The Fudan professor cited this example to show the different reporting styles of *Liberation Daily* and *Southern Weekend*.

Given its less abrasive reporting style, the *Liberation Daily* is least likely to run afoul of reporting parameters set by the propaganda authorities. This, however, does not preclude the propaganda authorities from intervening when it considers a development as likely to affect Shanghai’s peace and stability.

For instance, during the spate of anti-Japanese demonstrations in Shanghai that occurred over the weekend of 16-17 April 2005, the local propaganda bureau issued prior instructions to major newspapers in Shanghai not to carry any reports on details of the demonstrations.<sup>81</sup> In addition, Shanghai's Bureau of Public Security issued a Short Messaging Service (SMS) message to all registered hand phone users in Shanghai days before the scheduled demonstrations to advise residents to observe the law and order situation and not to participate in the demonstrations. Institutions of learning such as universities and high schools were also given specific instructions to keep their students off the streets. At Shanghai Academy of Social Science, for instance, graduate students were told to remain in their dormitories and movies were screened over the two days to keep them occupied.<sup>82</sup>

In the event, the anti-Japanese demonstrations that occurred over the weekend involved mainly high school students that started out from two different locations in Shanghai and that eventually converged outside the Japanese Consulate. Besides calling for a boycott of Japanese goods, the demonstrators pelted eggs on the walls of the consulate. Yet, the 17<sup>th</sup> April edition of *Liberation Daily* only carried the carefully-worded remarks of the Shanghai municipal government press spokesman responding to media queries on the anti-Japanese demonstrations.<sup>83</sup> The remarks, while exhorting Japan

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<sup>81</sup> Interview with a journalist with *Liberation Daily Weekend Section*, Shanghai, 19 April 2005 at 10 am. The anti-Japanese protests occurred because of the release of educational textbooks in Japan that downplayed the atrocities committed by Japanese forces in China during the Second World War.

<sup>82</sup> Interview with a masters' student from the Shanghai Academy of Social Sciences, Shanghai, 19 April at 6 pm.

<sup>83</sup> The remarks appeared on page two of the daily. See "Shi Zhengfu Xinwen Fayanren Jiuzuo Benshi Bufen Qunzhong Dui Kangyi Huodong Da Jizhewen" (The Municipal Press Spokesman Response to



to take responsibility to face up to history, were intended to restore calm and confidence by stating that the local government was fully capable of protecting the interests of foreign investments and individuals in Shanghai. Details on the size of the demonstrators and what they did during the demonstrations were conveniently excluded.

(b) Other Key Publications

Being less official-oriented in nature, one would expect the other publications under the *Liberation Daily Newspaper Group* to be less bound by the reporting parameters. Yet, rather than try to constantly test reporting limits, the other publications generally carry news that readers are most interested in and also doing so in a non-confrontational manner.

In one issue of *Shanghai Evening Post*, a front-page article highlights a public-spirited individual working with the police to apprehend a murder suspect.<sup>84</sup> In another issue of the same newspaper, a front-page article described a group of neighbors showering concern on a 64-year-old individual, who was unaware that she had terminal cancer, and helping her lead a normal life until the day she became bed-ridden.<sup>85</sup> Almost always, the intent of these articles is to convey information which the audience can identify with and less on sensational or investigative reporting.

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Media Queries on Yesterday's Anti-Japanese Demonstrations Carried Out by Certain Public Groups), *Liberation Daily*, 17 April 2005, p. 2.

<sup>84</sup> "Wuyi Tingdao Xiongsha Anqing Huaba Xiansheng Zhiqin Xianfan" (Unintentionally Overhearing a Murder Case, Telephone Bar Gentleman Uses Wit to Nap Murderer), *Shanghai Evening Post*, 13 April 2005, p. 1.

<sup>85</sup> "Duju Laoren Shenhuan Juezheng Linli Shoumi Linzhong Guanhuai" (A Lone Elder with Terminal Illness, Neighbors Keep Mum but Cares for Her till the End), *Shanghai Evening Post*, 16 April 2005, p. 1.

A senior party official in the *Liberation Daily Newspaper Group* confirmed that although the publications of the group generally avoid sensitive topics, they are required to pay particular attention to the reporting guidelines set by the local propaganda bureau which are issued when the need arises.<sup>86</sup> Usually, the propaganda bureau would inform the editors and journalists of what can or cannot be reported through the General News Administration Office (新闻办公室) of the *Liberation Daily Newspaper Group*. This office will convey the reporting parameters to all relevant personnel under the group and ensure that they are adhered to.

A journalist with *Liberation Weekend*, a newspaper that accompanies the weekend edition of *Liberation Daily*, elaborated that in the March of every year around the time of the National People's Congress and Chinese People's Political Consultative Committee, the DOP in Beijing would draw up a list of issues which the party newspapers at all levels are expected to accord greater coverage to for the rest of the year.<sup>87</sup> For year 2005, emphasis was given to articles on social harmony and stability, the concept of scientific development and maintaining an advanced party. By identifying the issues early, ample preparations could be made to write articles on them.

Another journalist with *Shanghai Evening Post* disclosed that everyday, the *Liberation Daily Newspaper Group* would receive at least one notice from the local

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<sup>86</sup> Interview with a senior party official with *Liberation Daily Newspaper Group*, Shanghai, 20 April 2005 at 10 am.

<sup>87</sup> Interview with a journalist with *Liberation Daily Weekend Section*, Shanghai, 19 April 2005 at 10 am.

propaganda bureau on how a particular event ought to be reported.<sup>88</sup> The notice usually comprises a one-page document with one or two liners printed on red paper. Most of the time, such notices would require the publications under the group to either refrain from reporting or “exercise caution when reporting” (谨慎报道) on a particular event. In the journalist’s view, the instruction “exercise caution when reporting” is vague and is subject to various interpretations. The onus is on the reporter, working with the editor, to come up with an article that meets the spirit and letter of the notice. Whether a news article has abided by a notice issued by the local propaganda bureau is determined both by its content and, more importantly, by the outcome after the article is published.

The same journalist with *Shanghai Evening Post* disclosed that there were occasions when staff who committed “political mistakes” (政治错误) were transferred to other publications under the *Liberation Daily Newspaper Group* or dismissed altogether.<sup>89</sup> An example of a “political mistake” could involve simply getting the designation or part of the name of a Shanghai leader wrong in an article. There was even an occasion when an editor was transferred because he approved the use of a photograph of Party Secretary Hu Jintao that did not cast the leader in the best possible light. The same journalist admitted that she too had committed political mistakes in the past when she erroneously addressed a Deputy Party Secretary of Shanghai as Deputy Mayor. But she was lucky as she only received a reprimand from the Chief Editor of the publication.

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<sup>88</sup> Interview with a journalist with *Shanghai Evening Post*, Shanghai, 20 April at 12.15 pm.

<sup>89</sup> Ibid.

Another “political mistake” which the same journalist with *Shanghai Evening Post* apparently committed was when she wrote an article about the unhappiness of some Shanghai residents with the setting up of a hospital for infectious disease near their homes.<sup>90</sup> She had attended a news briefing for reporters organized by the relevant Shanghai authorities. One of the officials present told the journalists to exercise caution when reporting on this matter. Being new to the job then, she did not pay much heed to the verbal instruction and quickly wrote her article and got it published by the morning of the day of the press briefing. On the same day, the local propaganda bureau issued a formal notice at 1 pm calling on all major newspapers to exercise caution when reporting on the setting up of this hospital. By that time, it was too late to recall the article she had written. Although the written notice from the local propaganda bureau came out after she had published her article, she was still reprimanded verbally for failing to adhere to the verbal instruction issued earlier at the press briefing. Nevertheless, the punishment was not severe since this was not a case of deliberately ignoring the instruction of the local propaganda bureau.

Besides issuing written notices, there are other ways for the party to exert control and influence over the *Liberation Daily Newspaper Group*. The leaders at the *Liberation Daily*, the anchor newspaper, normally hold concurrent positions at the group level. This arrangement allows the party to exert a disproportionate amount of influence over how the group is being managed and run.<sup>91</sup>

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<sup>90</sup> Ibid.

<sup>91</sup> Interview with a professor from the Journalism School at Fudan University, Shanghai, 12 April 2005 at 10 am.

Separately, a senior party official with the group disclosed that all assets of the group belong to the party. The same party official disclosed that staff who are deputy director level and above are required to attend regular discussion sessions organized by Shanghai's municipal party committee where they are kept abreast of the party's thinking and policies on issues that affect the party and country.<sup>92</sup>

A journalist with *Liberation Weekend* said that even at the level of the journalists, they are required to hold meetings at least once a year to acquaint themselves with the latest pronouncements and thinking of the party.<sup>93</sup> They are given some party documents and told to read and discuss them within small groups. The journalist quipped that they would spend the first few minutes going through the documents and would then quickly switch to other "more interesting" topics. While she acknowledged that she did not find such meetings personally useful, it served the purpose of making her aware of the party's directions and exhortations which she was required to adhere to in her work.

More importantly, control by the party could be exerted in other subtle ways as the values underpinning the *Liberation Daily Newspaper Group* are either consciously or unconsciously imbibed by its staff over time. For example, each staff is given a booklet which contains 70-80 regulations on what is expected of every individual in the group including the type of news that should be given emphasis to and the type of news where caution should be exercised when reporting. This booklet is updated annually so that it

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<sup>92</sup> Interview with a senior party official with *Liberation Daily Newspaper Group*, Shanghai, 20 April 2005 at 10 am.

<sup>93</sup> Interview with a journalist with *Liberation Daily Weekend Section*, Shanghai, 19 April 2005 at 10 am.

remains relevant.<sup>94</sup> While it is debatable how much of what is in the booklet is imbibed by the staff, one should not discount the role that such a booklet and other informal arrangements described above play in conditioning the mindset of employees.

### *Southern Daily Newspaper Group: Occasional Serious Infractions*

#### (a) *Southern Daily*

The *Southern Daily Newspaper Group*, like the *Liberation Daily Newspaper Group*, is expected to operate within the reporting parameters set by the local propaganda bureau in Guangdong. This is especially true of *Southern Daily*, the anchor publication that performs political and ideological roles required by the party. In practice, however, the publications under the *Southern Daily Newspaper Group* in general are more attuned to market forces and adept at tapping market opportunities. The group is more conscious of building up a brand name and in engaging readers.

An interesting observation is that in Shanghai's most popular bookstore along Fuzhoulu (福州路), one would expect to find books or even book chapters related to the *Liberation Daily Newspaper Group* since the group is one of the two major newspaper groups (other than the *Wenhui Xinmin Newspaper Group*) in the municipality. Yet such publications are virtually non-existent.<sup>95</sup>

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<sup>94</sup> Interview with a senior party official with *Liberation Daily Newspaper Group*, Shanghai, 20 April 2005 at 10 am.

<sup>95</sup> Author's observation during field trip to Shanghai from 7 - 21 April 2005.

In contrast, readers have little difficulty locating materials on the *Southern Daily Newspaper Group* in Shanghai's most popular bookstore on Fuzhoulu. A well-known book of *Southern Daily* entitled "high level of decisive influence" (高度决定影响力), published after its 2002 revamp, is prominently displayed on the bookshelf under the media section. This book informs readers that the strategy of *Southern Daily* is to increase the influence of the publication rather than its circulation per se. To do so, the *Southern Daily* would appeal to the opinion molders and leaders in society, the groups most able to reach out to a wider audience.<sup>96</sup>

Another book published in 2005 at the same bookstore contains a collection of interviews of authoritative media figures from the official, media and academic circles in China. A chapter in this book contains an interview with the President of the *Southern Daily Newspaper Group* Fan Yijin where he outlines the philosophy, achievements and future plans of the group.<sup>97</sup> In contrast, no write-up on the *Liberation Daily Newspaper Group* can be found in the same book.

The reality is that information on the history, past achievements and future plans of the *Liberation Daily Newspaper Group* disseminated by the group itself is not readily available. While visiting the head office of the newspaper group, the author was introduced to a book containing a collection of past articles by its journalists on various

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<sup>96</sup> " 'Gaodu Jueding Yingxiangli' Dangbao Zongbian Shenzhen Yantao Dingwei" (High Level of Decisive Influence, Chief Editors of Party Newspapers at an Evaluation Discussion in Shenzhen), *Xinhuanet*, 18 November 2004 ([http://news.xinhuanet.com/newmedia/2004-11/18/content\\_2232624.htm](http://news.xinhuanet.com/newmedia/2004-11/18/content_2232624.htm)).

<sup>97</sup> Wang Yongliang, Liu Zhongkui and Li Xinwei, *Chuanmei Jingshen: Gaoceng Quanwei Jiedu Chuanmei* (*Spirit of Media: Top Leaders Authoritative Insight into the Media*) (Beijing: Zhongguo Chuanmei Daxue Chubanshe, 2005), pp. 259-272.

topics.<sup>98</sup> When the author asked whether this book was available in the bookstores, the reply was that this was only meant for internal circulation. The author was further informed that the newspaper group as a whole could do more to engage readers and the group was looking at improvements in this area.<sup>99</sup>

(b) Other Key Publications

Other than the difference in capitalizing on market opportunities, the *Southern Daily Newspaper Group* also differs from its Shanghai counterpart in terms of the nature of reporting infractions committed. Some of its publications like *Southern Metropolitan Daily*, *Southern Weekend*, *21<sup>st</sup> Century World Herald* and *New Beijing Daily* occasionally commit serious reporting infractions.

*New Beijing Daily* was touted as a publication that had the credentials for success when it was formed in 2003. It would combine the *Southern Daily Newspaper Group* market exposure with strong political backing as the Beijing-based *Guangming Daily Newspaper Group* belonged to the Central Propaganda Department. Yet, this combination was to prove problematic. As for *21<sup>st</sup> Century World Herald*, affiliated to *Southern Weekend*, the publication was known for its forthright reporting and commentaries. It too ran into difficulties.

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<sup>98</sup> The topics covered included the 16<sup>th</sup> Party Congress in 2002, the Asia-Pacific Economic Cooperation Informal Leaders' Meeting in Beijing in 2001, the campaign to contain the Yangtze River flooding in 1998, the illegal pyramid selling of medical pills in Shanghai in 2002, and a first ever toilet-map indicating the location of toilets in 14 cities in Shanghai, Jiangsu and Zhejiang in 2002 for taxi and bus drivers. See Li Li and Yu Jianhua (eds.), *Jizhe De Zhenqing Gaobai (Reporters' Genuine Reflections)* (Shanghai: Shanghai Renmin Chubanshe, 2003), pp 1-335.

<sup>99</sup> Interview with a senior party official with *Liberation Daily Newspaper Group*, Shanghai, 20 April 2005 at 10 am.



The *Southern Weekend*, a weekly publication, made its mark in the late 1990s through investigative exposes of far-flung scandals related to corruption, criminal acts or abuse of official power. This unique approach of avoiding negative events closer to home helped to prevent unnecessary embarrassment to its patrons in the Guangdong Party Committee. In the past, the committee largely turned a blind eye not because it appreciated good journalism but because *Southern Weekend's* revolutionary brand of reporting attracted readers, advertisers, profits and crucial tax revenues.<sup>100</sup>

As for *Southern Metropolitan Daily*, its coverage is on socio-economic issues affecting the Guangzhou populace. Although established in 1995, the daily only caught readers' attention in 1998 when it took the lead to carry a series of articles ten days before the start of the World Cup. Thereafter, its circulation rate shot upwards and was soon regarded as a serious competitor by *Guangzhou Daily* and *Yangcheng Evening News*, two more established newspapers in Guangzhou.<sup>101</sup>

On surface, the above publications would appear to share similarities with the *Shanghai Morning Post* and *Shanghai Evening Post* in Shanghai, where the focus is also on issues concerning the ordinary people. The point of departure is that they are known to be trend setters in the field of investigative reporting, daring to report and even doing so

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<sup>100</sup> As a result of its unique style of reporting, the circulation volume of *Southern Weekend* reached its peak of 79.5 million readers in 2000 from a low of 43 million readers in 1996.

<sup>101</sup> Liu Yong, *Meiti Zhongguo (The Media in China)* (Chengdu: Sichuan Renmin Chubanshe, 2000), pp. 160-169. Today, the *Southern Metropolitan Daily* continues to devise innovative ways of raising its profile such as organizing a competition to award the grand prize to winners of the nationwide Chinese Literature contest in 2003 and tie-ups with various Hong Kong artistes as column writers in its entertainment section.

in detail on topics which publications of the *Liberation Daily Newspaper Group* would steer clear. In doing so, they have run afoul of the reporting parameters set by the local propaganda bureau. To elaborate, four instances would be mention here: (i) the Sun Zhigang case in 2003; (ii) the Severe Acute Respiratory Syndrome (SARS) in the same year; (iii) on-going demands for political liberalization; and, (iv) the unrest in Dingzhou County, Hebei, in 2005.

(i) The Case of Sun Zhigang

On 17 March 2003, Sun Zhigang, a graduate from Wuhan University who had worked in Guangzhou for under a month, was detained by local police and sent to a Custody and Repatriation Center after he failed to produce proper identification documents. Three days later, he was beaten to death by inmates at the center. To uncover the cause of his death, Sun's parents traveled from Hubei to Guangdong. But after a month, they were unable to make headway as the relevant local government agencies were uncooperative. Sun's parents then approached *Guangzhou Daily* and subsequently *Yangcheng Evening News*, two established newspapers in Guangzhou, for help to look into their son's case. But these two publications were hesitant to proceed because of the political sensitivities surrounding the case. Eventually, Sun's parents approached *Southern Metropolitan Daily* which decided to go ahead.<sup>102</sup>

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<sup>102</sup> Interview with a journalist with *Southern Metropolitan Daily*, Guangzhou, 11 May 2005 at 6.30 am. See also "Bei Shourongzhe Sun Zhigang Zhisi" (Sun Zhigang's Death in Custody), *Southern Metropolitan Daily*, 25 April, 2003.

Two journalists, Chen Feng and Wang Lei, conducted their own investigation and, with the endorsement of top leaders at the daily, published an account of Sun's death on 25 April 2003.<sup>103</sup> The article examined the probable causes of Sun's death and was cynical of local officials' denial of any responsibility for his death. The article sarcastically cited remarks made by Xie Zhitang, Head of the Civil Affairs Bureau in Guangzhou, who claimed that he was "99.8 per cent confident" that the custody center would never beat up any detainees since the center was manned by civil servants and that the center was under constant camera surveillance. Other local and national newspapers soon took up the story and Sun's death quickly became a nationwide issue.<sup>104</sup>

On the same day that *Southern Metropolitan Daily* printed its article, the local propaganda department issued a specific order to the daily not to report on the issue again. Although the reporters of the daily and those of other party newspapers subsequently attended the hearing of the suit brought by Sun's family against his assailants, they were not allowed to report on the trial.<sup>105</sup> Despite the media gag, the avalanche of public disgust generated by *Southern Metropolitan Daily's* article was unstoppable.

Sun's death stirred people's outrage against the Custody and Repatriation system. People from different parts of the country posted their opinions on the Internet or circulated their views to each other via e-mails, recounting their nightmare experiences in

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<sup>103</sup> Jun Fei, *Zhongguo Meiti Jizhe Diaocha (China's Media Investigative Reporters, vol. 2)* (Beijing: Guangming Ribao Chubanshe, 2004), pp. 243-264.

<sup>104</sup> Although the *Southern Metropolitan Daily* was the first to publish its article, much discussion about Sun's death had already circulated on the Internet. Also, Sun's death was not the first case of migrant workers dying at the hands of law enforcement officers. For an account of earlier cases see Zeng Huafeng, *Diaocha Jizhe (The Investigative Reporter)* (Beijing: Zhongguo Fangzheng Chubanshe, 2004), pp. 1-22.

<sup>105</sup> "Tight Rein Stays on Mainland Media", *South China Morning Post*, 23 June 2003.

the Custom and Repatriation centers. More importantly, doubts were raised about the constitutionality of the Custody and Repatriation system.<sup>106</sup>

On 20 June 2003, Premier Wen Jiabao declared that the “*Measures for the Custody and Repatriation of Urban Vagrants and Beggars*” would be abolished from 1 August, 2003. This marked the first time in China’s history that the death of a civilian caused a state regulation to be repealed. The Central Government also ordered the relevant authorities to conduct an investigation and punish the perpetrators. On 27 June, 12 people guilty of beating Sun to death received death penalties or imprisonment terms ranging from three years to life. The key defendant, Qiao Yanqin, an attendant at the center, was sentenced to death for organizing the beating. Another six police officials in Guangzhou were sentenced to jail terms of two - three years for dereliction of duty.<sup>107</sup>

At first glance, the outcome of Sun’s case marked a victory for civil society. In reality, the unintended consequence was that the *Southern Metropolitan Daily* article had embarrassed and offended local authorities. It showed up their bungled attempt to cover up a mistake and was a blemish on their political careers. In particular, the officials at the Civil Affairs Bureau, that oversaw the Custody and Repatriation Center, and the Public Security Bureau, responsible for ensuring order, were unhappy as a number of their staff were either dismissed or imprisoned. However, the relevant local authorities did not react immediately but bided its time.

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<sup>106</sup> On 16 May 2003, three PhD candidates of law from universities in Beijing submitted a petition (via fax) to the Standing Committee of the National People’s Congress to call for a re-examination of the constitutionality of the 1982 “Measure for the Custody and Repatriation of Urban Vagrant Beggars”. The same letter was posted on the Internet.

<sup>107</sup> “Court Reaches Final Decision on Sun Zhigang Case”, *People’s Daily*, 27 June 2003.

(ii) Severe Acute Respiratory Syndrome (SARS)

The first two cases of SARS occurred in Guangdong in November 2002 and were initially classified as an unidentifiable form of pneumonia. At first, neither the Guangdong nor Beijing authorities perceived the SARS outbreak seriously. It was perceived then as a medical issue best resolved by the local authorities and medical experts. It only became a political issue in April 2003 when mounting international pressure forced Beijing to mobilize national resources to curb its spread.

Before this change in perception, the response by Chinese authorities was to hush up negative news and play up positive ones. Further strengthening this approach was that SARS occurred during a season of “high politics” in China where it became even more necessary to suppress unpleasant news. In the run-up to the National People’s Congress and the Chinese People’s Political Consultative Meeting in March 2003, the propaganda authorities in Guangzhou enforced periodic bans on SARS-related stories that would cast the local government in a negative light.

Local government censors had repeatedly warned *Southern Metropolitan Daily* that its articles had violated censorship rules. In February 2003, the newspaper published an article that raised doubts about the origin of SARS. This ran against state-run media which were under orders to report that the source of the disease was Chlamydia (a sexually-transmitted disease) as part of the assertion that the disease did not originate

from China. During the National People's Congress, the daily quoted a senior respiratory specialist from China's Ministry of Health as saying that SARS was not under control, contradicting government propaganda that the disease had been contained.<sup>108</sup> In May 2003, the newspaper carried a commentary urging the central government to improve its crisis-management ability in light of SARS.<sup>109</sup> The newspaper further irked local authorities when it became the first news organization to disclose that a TV producer was being treated as a suspected SARS case at a Guangzhou hospital in December 2003. As a result, the local authorities were forced to announce a suspected SARS case since the epidemic ebbed in the summer of 2003. The suspected SARS case was later confirmed.<sup>110</sup>

A journalist with *Southern Metropolitan Daily* sought to disabuse the view that the local authorities had intended to cover up the SARS case of December 2003, a common view held by foreign newspapers. Citing first-hand knowledge, the journalist said that on the day the daily published its article, the local authorities were already discussing how to release news of the SARS patient. There was never any attempt at cover-up. In the event, the daily released the news first. The journalist nevertheless acknowledged that the daily's release of the news had cast doubts on the real intentions of the local authorities and put them on the defensive.<sup>111</sup>

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<sup>108</sup> "Nanfang Doushibao Bei Zhengsu Guocheng Jiemi" (The Secret Behind the Reorganization and Tightening of Control at *Southern Metropolitan Daily*), *Yazhou Zhoukan*, 2 May 2004, pp. 28-34. See also "China Feels Side Effects from SARS", *Washington Post*, 2 May 2003.

<sup>109</sup> "Need for Reform Highlighted, Says Outspoken Media", *South China Morning Post*, 2 May 2003.

<sup>110</sup> "7 at Paper in China are Seized; Raid Follows Report on Suspected SARS", *International Herald Tribune*, 9 January 2004.

<sup>111</sup> Interview with a journalist with *Southern Metropolitan Daily*, Guangzhou, 11 May 2005 at 6.30 am.

The reporting scoops made by *Southern Metropolitan Daily* helped to increase the circulation volume of the newspaper. In particular, the audacity of *Southern Metropolitan Daily* in challenging the lack of information or misinformation from the local authorities during the height of the SARS epidemic bolstered its credibility in the eyes of readers.<sup>112</sup> In 2003, the circulation volume of the newspaper experienced a huge jump of over 20 per cent to 514.7 million copies from the 427.1 million in 2002.<sup>113</sup>

Thereafter, *Southern Metropolitan Daily* encountered a series of punitive actions that led most observers to conclude that it was paying a political price for being too outspoken on the SARS and Sun Zhigang's case. In January 2004, Cheng Yizhong, the Chief Editor, and six other executives of the newspaper were detained for questioning on suspicion of financial crimes. Two months later, in March 2004, Yu Huafeng and Li Mingying, Deputy Chief Editor and former Editor of the daily, were sentenced to jail terms of 12 and 11 years respectively on embezzlement and bribery charges.<sup>114</sup> Cheng, similarly charged, was subsequently fired and stripped of his party membership.<sup>115</sup>

Employees at the daily reportedly told *Radio Free Asia*, a private non-profit organization, that the corruption cases were the result of retaliation by the Vice Secretary of the Guangzhou municipal government Zhang Guifang and Police Chief Su Shuisheng against the daily, which interfered with their personal agendas with its hard-hitting news

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<sup>112</sup> Wu Fei (ed.), *Chuanmei Jingzhengli (Competitiveness in the Media Industry)* (Beijing: Zhongguo Chuanmei Daxue Chubanshe, 2005), p. 123.

<sup>113</sup> In contrast, in 2002, the circulation volume of the newspaper rose by only around 14 per cent to 427.1 million copies from 376 million copies in 2001.

<sup>114</sup> In June 2004, the intermediate court in Guangzhou reviewed their case and cut the jail terms of Yu Huafeng from 12 to eight years and that of Li Mingying from 11 to six years.

<sup>115</sup> "Guangzhou Southern Metropolis News Editor Sacked", *Radio Free Asia*, 29 October 2004 ([http://www.rfa.org/english/news/politics/2004/10/29/china\\_press\\_freedom/](http://www.rfa.org/english/news/politics/2004/10/29/china_press_freedom/)).

coverage.<sup>116</sup> Elsewhere, it was reported that former Guangdong Party Secretary Ren Zhongyi had written a letter to current Party Secretary Zhang Dejiang, urging him to heed the widespread displeasure among the general public, academics and legal professionals of the high-handed treatment of the former leaders of *Southern Metropolitan Daily*. Zhang's apparent reaction was that the former staff of the daily should be accorded proper treatment.<sup>117</sup>

Interestingly, a journalist at *Southern Metropolitan Daily* cautioned that evidence was not conclusive to link the corruption charges against the former leaders of the daily to the daily's reports on Sun Zhigang and SARS as there might be other reasons. The journalist cited Li Mingying and opined that the corruption and bribery charges leveled against him arose from the incompatibility of the system of rewards that existed under the *Southern Daily Newspaper Group*. In recognition of Li Mingying's contribution to raising the profile of *Southern Metropolitan Daily*, the group management allotted him some monetary bonus under the old socialist system of rewards which did not amount to much. On top of this amount, *Southern Metropolitan Daily* decided to separately reward Li Mingying according to what he should be receiving on the open market. It was this difference between what the group and daily offered that eventually constituted corruption and bribery. In the journalist's view, the mismatch between the old and new

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<sup>116</sup> "Guangzhou Cuts Editors' Sentences Amid Public Anger", *Radio Free Asia*, 16 June 2004 (<http://www.rfa.org/english/news/politics/2004/06/16/138717>).

<sup>117</sup> "Zhang Dejiang Ming Kuandai Nandu Gaoceng" (Zhang Dejiang Instructs the Proper Treatment of Former Leaders of *Southern Metropolitan Daily*), *Ming Pao*, 8 June 2004.



system of rewards was a bigger factor behind Li Minying's prosecution rather than the latter's role in the Sun Zhigang and SARS episodes.<sup>118</sup>

However, a Jinan University Professor, previously an editor under the *Southern Daily Newspaper Group*, offered the contrary observation that if what the journalist from *Southern Metropolitan Daily* said about Li Minying was true, then such cases would be prevalent not only in other newspaper groups across China but in other state-owned enterprises as well. This was because all these organizations were also grappling with reforming the old and new system of rewarding capable staff. Yet, cases of corruption or bribery in these other newspaper groups and state-owned organizations were not given as much attention or virtually ignored. Therefore, in the professor's view, the only viable reason why the top leaders of *Southern Metropolitan Daily* were prosecuted was because they had embarrassed the authorities and affected their careers.<sup>119</sup> In other words, the leaders of the daily were held responsible for the reports related to Sun Zhigang and SARS. In the absence of other viable reasons, this is a reasonable conclusion.

Even before Sun Zhigang and SARS, the *Southern Metropolitan Daily* had other run-ins with the local authorities. Guan Jian, the first Chief Editor of the daily, had earlier been forced to step down to take overall responsibility for a political mistake committed by the daily. In one issue of the daily, an article covering an important Muslim festival appeared on the same page as another article on the roaring trade of selling pork in China. Such a mistake was considered serious as China attached importance to integrating the

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<sup>118</sup> Interview with a journalist with *Southern Metropolitan Daily*, Guangzhou, 11 May 2005 at 6.30 am.

<sup>119</sup> Interview with a Jinan University Professor, Guangzhou, 13 May 2005 at 12.15 pm.

Muslim minority with the rest of the country and the oversight by Guan Jian was deemed to have contravened this policy. Official pressure forced Guan Jian to shoulder responsibility and step down.

Yet the nature of Guan Jian's case is different from the case of the top leaders at *Southern Metropolitan Daily*. Guan Jian was forced to step down because of an internal oversight in publishing two different and opposing types of news on the same page. This could have been avoided if more thought had gone into planning the layout. In contrast, the punishment meted out to the top leaders of the daily for their handling of Sun Zhigang and SARS was not due to any internal oversight but due to the daily's intention to test reporting limits. In the event, the daily was perceived to have gone too far and their top leaders were punished.

Besides *Southern Metropolitan Daily*, the *Southern Weekend* was also widely read around China for their reports on the SARS epidemic, AIDS problem, the widening gaps between the rich and poor, environmental problems and official crimes. The *Southern Weekend* was severely criticized by the local authorities in 2003 for publishing articles that crossed reporting limits. There were also numerous instances where journalists who dared to uncover the truth were forced to leave their posts. In an oblique swipe at the official authorities for the sacking of these journalists, Xie Chunlei, a former staff of *Southern Weekend* wrote a book containing accounts of reporting scoops made by former journalists of *Southern Weekend*. Xie explains in the book's epilogue that his intention for writing the book was to share with others the experience of these former

journalists driven by the desire to uncover the truth. But today, these journalists no longer work there. Without saying out loud, Xie was criticizing the official authorities for stifling the search for truth.<sup>120</sup>

A *South China Morning Post* report has claimed that negative articles in *Southern Weekend* about Zhejiang reportedly earned the wrath of Zhang Dejiang, the party secretary there before he was transferred to Guangdong in November 2002. Immediately after his arrival in Guangdong, Zhang reportedly called *Southern Weekend* “the shame of Guangdong’s media according to a source in the *Southern Daily Newspaper Group*”.<sup>121</sup> The author was not able to prove or disprove the claim made by the *South China Morning Post* during interviews in Guangdong. But quite obviously, in a move intended to rein in the newspaper, Zhang Dongming, a career official from Guangdong’s propaganda bureau was appointed Chief Editor of *Southern Weekend* and concurrently Deputy Chief Editor of *Southern Daily* in the first half of 2003. His appointment would not have been possible without Zhang Dejiang’s approval.

### (iii) Calls for Political Liberalization

The issue of political democratization, including political liberalization, has always been a sensitive topic in China. This is because the CCP fiercely guards its monopoly on power and prefers the pace and scope of political democratization to be a

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<sup>120</sup> Xie Chunlei, *Jiekai Zhenxiang: Nanfang Zhoumo Zhiming Jizhe Baodao Shouce (Uncover the Truth: Southern Weekend's Well-Informed Journalists Reporting Book)* (Hangzhou: Zhejiang Renmin Chubanshe, 2004).

<sup>121</sup> “Tight Rein Stays on Mainland Media”, *South China Morning Post*, 23 June 2003.

top-down affair. It views with much wariness demands for political democratization at the grass-root level.

The 21<sup>st</sup> *Century World Herald* led a brief existence from July 2002 to March 2003 because it treaded on sensitive ground, particularly on the issue of political democratization.<sup>122</sup> Before it was suspended in March 2003, it had already earned a reputation for its no-holds barred reporting style.<sup>123</sup> But the event that sounded its death knell was its March 3<sup>rd</sup> edition where it carried an interview with party elder and liberal-minded reformist Li Rui, former secretary to Mao Zedong.

In the interview, Li Rui criticized his mentor Mao for creating a cult of personality and subsequent leader Deng Xiaoping for failing to carry out political reforms. He praised the controversial leader Hu Yaobang who was purged by the party in 1987 for having “bourgeoisie” tendencies and whose death in 1989 sparked off the Tiananmen incident.<sup>124</sup> Li Rui called for more democracy within the party and criticized the leadership for not adequately promoting the rule of law. He reportedly added, “I am 86 years old, I don’t care what people say about me”.<sup>125</sup>

Besides the taboo subject of political democratization, the interview was published at a sensitive time, just before the annual sessions of the National People’s Congress (NPC) and Chinese People’s Political Consultative Committee in March 2003.

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<sup>122</sup> In its brief period of existence, the publication reportedly attracted a circulation volume of over 200,000.

<sup>123</sup> During the SARS outbreak in early 2003, the Chief Editor of the weekly *Lian Qingchuan* wrote an open letter signed by 3,000 people demanding that the authorities allow full disclosure on the epidemic.

<sup>124</sup> “Chinese Newspaper Shut after Call for Reform”, *The Washington Post*, 14 March 2003.

<sup>125</sup> “Tabloid Closed Down after Controversial Interview”, *South China Morning Post*, 15 March 2003.

Moreover, the NPC was scheduled to approve the election of senior Chinese leaders including a new President, Premier and Foreign Minister.<sup>126</sup> Hence, the interview was released at an inappropriate time.

But according to sources close to *21<sup>st</sup> Century World Herald*, the newspaper had not expected any fallout from Li's interview. Newspaper editors had felt that it was politically safe to publish Li's views because the article echoed a previously published essay by Li in the January 2003 edition of *China Chronicle*, an official Communist Party publication. The newspaper editors also felt comfortable in publishing Li's interview because they believe that with a new set of leaders at the helm, the government would be more open-minded about media coverage.<sup>127</sup>

After a brief suspension, the weekly was allowed to die a natural death. Its Chief Editor, Lian Qingchuan, was sacked and has since left the country.<sup>128</sup> Zhang Dongming, a career official from Guangdong's propaganda bureau took over as Chief Editor of the *Southern Weekend*, signaling a period of tighter media control. The *21<sup>st</sup> Century World Herald* that was affiliated to the *Southern Weekend* was never heard of again.

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<sup>126</sup> At the 16<sup>th</sup> Party Congress in November 2002, the Fourth Generation leadership led by Hu Jintao had assumed the leadership of the party from his predecessor Jiang Zemin. In the March NPC, Hu Jintao and Wen Jiabao were to be elected as President and Premier respectively.

<sup>127</sup> "Hu Stepped in to Stop Closure of Newspaper", *South China Morning Post*, 8 April 2003.

<sup>128</sup> Lian Qingchuan has been in the United States since October 2003 doing research at Columbia University. See "Provincial Politics and the Death of Free Media in China", *China Brief* (Jamestown Foundation), vol. 4, no. 7 (1 April 2004).

(iv) Unrest in Dingzhou County, Hebei

*New Beijing Daily* became a victim in its report of the unrest that took place in Dingzhou County in Hebei province in June 2005. In this instance, one of the two parent companies of *New Beijing Daily*, the *Guangming Daily Newspaper Group* under the Central Propaganda Department, took action to censure *New Beijing Daily*'s coverage of this incident.

In June 2005, *New Beijing Daily* broke the story of an attack by armed men, believed to have been hired by local authorities, on a group of villagers protesting the seizure of land for use in building a power plant in Shengyou village in Dingzhou County. Shengyou village is about 200 km south of Beijing. In the ensuing fight, six villages were killed and more than a hundred injured. *New Beijing Daily*'s report was quickly picked up by other Chinese outlets and foreign media.

Rural unrest has been a major concern of the Chinese leadership led by Party Secretary Hu Jintao and Premier Wen Jiabao.<sup>129</sup> To address rural grievances, the leadership has implemented a number of socio-economic policies to reduce peasants' burdens and improve their income levels.<sup>130</sup> At the same time, the leadership places a premium on stability and has taken firm action against potentially unruly elements such as journalists, lawyers and peasants that may threaten social order. From the perspective

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<sup>129</sup> Official statistics show that the number of mass incidents in 2004 jumped to 74,000 from 58,000 in 2003 and 10,000 in 1994. See "The Cauldron Boils; Protests in China", *The Economist*, 1 October 2005.

<sup>130</sup> For instance, in 2004, the government announced the phasing out of agriculture tax in five years. In early 2006, the government brought its time-table forward and announced the abolishment of agriculture tax.

of the leadership, *New Beijing Daily*, a party-affiliated newspaper, was wrong in taking the lead to publish the Dingzhou unrest, more so when it occurred so close to Beijing. Besides the embarrassment it caused, it had put the leadership on the defensive.

To contain the negative fallout from the report, the authorities took swift action to sack the Party Chief and Mayor of Dingzhou and arrest scores of others responsible for the attack. However, no immediate action was taken against the *New Beijing Daily* until a few months later. Only on 28 December 2005 was the decision made by *Guangming Daily Newspaper Group* to remove Chief Editor Yang Bin and his two deputies Sun Xuedong and Li Duoyu.

Given the long time lag, it is difficult to pin-point the cause for Yang Bin's removal. According to sources within *New Beijing Daily*, the newspaper had in the past treaded dangerously close to reporting parameters set by propaganda authorities.<sup>131</sup> Yang Bin and his deputies were drawn from the *Southern Metropolitan Daily* and have inherited the outspoken nature of the daily.<sup>132</sup> Given such a tendency, *New Beijing Daily* has always been "closely watched" by the propaganda authorities. The report of the Dingzhou unrest was the straw that broke the camel's back.

The most obvious indication that the newspaper was punished for running afoul of reporting parameters can be gleaned from the comments of Cai Wu, Director of the State

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<sup>131</sup> "Xinjinbao Gaoceng Da Dizhen" (Big Earthquake at Top Echelon of *New Beijing Daily*), *Lianhe Zaobao*, 29 December 2005.

<sup>132</sup> Yang Bin took over as Chief Editor of *New Beijing Daily* in the second half of 2004 after his predecessor Cheng Yizhong vacated the post. In early 2004, Cheng was detained for questioning on suspicion of financial crimes. He was subsequently fired.

Council Information Office, who said at a regular news conference on 29 December 2005 that newspapers must pay attention to the “social and economic effects” of their reporting. Newspapers “must play their due role to educate and provide proper guidance to the people. They must follow discipline and rules and regulations”.<sup>133</sup>

Another possible contributory factor behind Yang Bin’s dismissal may have to do with the deepening clash of interests between the parent companies of *New Beijing Daily*.<sup>134</sup> Right from the start, the *Guangming Daily Newspaper Group* held a controlling interest of the newspaper at 51 per cent while the remaining 49 per cent was held by *Southern Daily Newspaper Group*. When *New Beijing Daily* first started, it was running at a loss. But soon, it became profitable and appealed to readers.

Ironically, the better performance of *New Beijing Daily* led to increased differences between the two parent companies over personnel appointments and distribution of benefits. Eventually, the *Guangming Daily Newspaper Group* capitalized on the reporting infraction of the newspaper to engineer a takeover. The new Chief Editor will come from *Guangming Daily Newspaper Group*.<sup>135</sup> With the shakeup at *New Beijing Daily*, it is unclear whether the *Southern Daily Newspaper Group* would remain or pull out of this venture.

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<sup>133</sup> “Beijing Paper’s Staff Strike after Editor’s Removal”, *The Guardian*, 31 December 2005.

<sup>134</sup> “*Xinjinbao* Gaoceng Da Dizhen”, *Lianhe Zaobao*, 29 December 2005.

<sup>135</sup> Yang Bin has returned to the *Southern Daily Newspaper Group* from where he came from. To allay the unhappiness of staff at *New Beijing Daily*, it was decided that Yang Bin’s two deputies would remain there.



## Increasing Challenge of Imposing Control

It used to be the case that once a publication commits a reporting infraction and the appropriate punishment is meted out by the local propaganda authorities, it is considered case closed. It is almost unthinkable for the affected editors or journalists or their supporters to have an opportunity to cast doubts on the punishment meted out, and much less, to mount a challenge.

But from some of the above examples, especially those involving the more onerous punitive measures meted out to the editors and journalists of the *Southern Metropolitan Daily* and *New Beijing Daily*, it appears that times have changed. While erstwhile the local propaganda bureau, as a state actor, could effectively call the shots, the balance appears to be shifting in favor of individuals working for the affected publications due to the relationship the publications have established with readers from society.

For instance, the jail sentences meted out to Yu Huafeng and Li Minying of *Southern Metropolitan Daily* did not end the episode.<sup>136</sup> The public outrage against the perceived trumped up charges against the former leaders of the daily led 2,356 Chinese journalists to sign a petition in June 2005 urging the Guangdong Higher People's Court to release Yu Huafeng and Li Minying whom they believed were unjustly sentenced.<sup>137</sup> These journalists came from the *Southern Metropolitan Daily*, *New Beijing Daily*, *First*

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<sup>136</sup> "Journalist Jailed for Eight Years Loses Appeal", *South China Morning Post*, 30 July 2005.

<sup>137</sup> "Letter to the Guangdong People's High Court", *China Digital Times*, June 2005 ([http://chinadigitaltimes.net/2005/06/journalists\\_pro\\_1.php](http://chinadigitaltimes.net/2005/06/journalists_pro_1.php)).

*Financial Daily* (第一财经 from Shanghai), *Shanghai Evening Post* (新闻晚报), *Shanghai Youth Daily* (a Shanghai publication under the Communist Youth League of the CCP), and two popular Chinese Internet portals Sina.com (新浪网) and Sohu.com (搜狐网). Interestingly, some journalists from *Shanghai Evening Post* under the *Liberation Daily Newspaper Group* were supportive of Yu Huafeng and Li Minying.

In another episode involving the dismissal of Yang Bin from *New Beijing Daily* on 28 December 2005 (Wednesday), the reaction of the staff at the publication was to go on an informal strike. According to a journalist, most of the 400 reporters and editors were unhappy that Yang Bin was leaving. As a result, reporters stopped filing articles on Thursday, a day after Yang Bin's removal. On Friday, the newspaper only had 32 pages, compared with more than 80 on a normal day.<sup>138</sup>

The point is that when publications like the *Southern Metropolitan Daily* or for that matter any publication that writes articles that resonate with readers, this strengthens the relationship between the publication, a state actor, and readers of society. This would make it more challenging for the local propaganda bureau, a state actor that oversees the publication, to effectively mete out punishment if the article by that publication is deemed to have crossed reporting parameters.

The petition by supporters of Yu Huafeng and Li Minying of *Southern Metropolitan Daily* as well as the informal strike by staff at *New Beijing Daily* to Yang

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<sup>138</sup> "Reporters at Beijing Paper go on Strike", *Associated Press*, 30 December 2005.

Bin's dismissal are indications that the local propaganda bureaus will find it increasingly difficult to continue to exercise control based on fiat and fear. They will instead have to or be seen to provide appropriate justifications for their actions especially those taken ostensibly to punish editors or journalists who flout reporting parameters.

Although there are no known cases of editors or journalists from the *Liberation Daily Newspaper Group* or their supporters who challenge punitive measures meted out by the local propaganda bureau, this does not mean that the bureau can continue to act with impunity. Given the continued need for publications under the *Liberation Daily Newspaper Group* to appeal to readers, the local propaganda bureau would also need to provide sufficient or reasonable justifications if it intends to sanction any publication that it regards as having flout reporting parameters.

## **Conclusion**

Both the *Liberation Daily Newspaper Group* and *Southern Daily Newspaper Group* are expected to adhere to reporting parameters set by the local propaganda bureaus. But occasionally, the publications under them run afoul of reporting parameters with distinct difference in the nature of such infractions.

The reporting infractions by publications under the *Liberation Daily Newspaper Group* appear to be genuine mistakes and not a deliberate attempt to flout reporting parameters. Generally, the reporting infractions involve relatively less serious offences

such as getting the names or designation of local leaders wrong, or using an inappropriate photograph of Chinese leaders. And very rarely are the tone and content of the articles aimed at embarrassing or showing up the inadequacies of individuals or organizations. It is reasonable to conclude that committing reporting infractions as a strategy to appeal to readers is not used by the *Liberation Daily Newspaper Group*.

As for the *Southern Daily Newspaper Group*, some of its publications have a greater tendency to challenge reporting parameters and commit serious reporting infractions in the process. They include the *Southern Metropolitan Daily*, *Southern Weekend*, *21<sup>st</sup> Century World Herald* and *New Beijing Daily*. Their articles have caused embarrassment and even incurred the wrath of authorities in Guangdong, nearby provinces, and even Beijing. The Sun Zhigang case, SARS episode, on-going demands for political democratization and Dingzhou unrest are but some prominent examples. Therefore, it seems that occasionally committing reporting infractions is a strategy used by certain publications under the *Southern Daily Newspaper Group* to appeal to readers.

There is also a noticeable difference in the response of the local propaganda bureaus to reporting infractions committed by publications under the *Liberation Daily Newspaper Group* and *Southern Daily Newspaper Group*. The local propaganda bureaus are selective in meting out punitive measures. The propaganda bureau in Shanghai is not known to have ever suspended any publication belonging to the *Liberation Daily Newspaper Group*. Neither has any senior official of the group been known to have been

detained for questioning, dismissed or imprisoned. In other words, the punishment meted out to publications under this group is less onerous.

In contrast, the propaganda bureau in Guangzhou has suspended *21<sup>st</sup> Century World Herald* under the *Southern Daily Newspaper Group*. It has also detained, dismissed and imprisoned senior officials of *Southern Metropolitan Daily* and *Southern Weekend*. The Chief Editor of *New Beijing Daily* has also been unceremoniously dismissed. Local propaganda officials have also been appointed into the senior management of some of these publications to ensure tighter control. Publications under the *Southern Daily Newspaper Group* face more onerous punitive measures when they cross the line. Ironically, the reprisals by the local propaganda bureau may have raised the standing of these publications in the eyes of readers.

Finally, as publications under the two newspaper groups strengthen their relationship with readers by producing articles that resonate with them, the pressure is on the local propaganda bureaus to provide sufficient and reasonable justification if it wants to impose punitive measures on publications that flout reporting parameters. It would be easy to impose control if publications did not have to appeal to readers. But with the publications greater dependence on readers, the local propaganda bureaus will have to meet rising expectations for greater transparency and accountability.

## **Chapter 4: Explaining the Different Strategy Mix**

While the *Southern Daily Newspaper Group* and *Liberation Daily Newspaper Group* share a number of strategies to appeal to readers, the one that stands out most is that the former commits more serious reporting infractions than the latter. Certain publications under the *Southern Daily Newspaper Group* are more prepared to challenge and even cross the reporting parameters compared to publications under the *Liberation Daily Newspaper Group*.

This chapter will identify some key factors that affect the mix of strategies used by the two newspaper groups to appeal to readers, particularly why the *Southern Daily Newspaper Group* resort to the strategy of committing reporting infractions compared to the *Liberation Daily Newspaper Group*. The factors cover the macro and micro perspectives. The macro dimension compares the general political environment of Shanghai and Guangzhou which shapes the climate the two newspaper groups operate in.

The micro dimension looks at the immediate challenges and constraints facing the two newspaper groups when they were established and which continues to affect them, the general preference of readers and their talent recruitment strategies. It will identify the macro and micro factors most important in affecting the mix of strategies by the two newspaper groups.

## Macro Perspective

The broad factor that affects the strategy mix of the *Liberation Daily Newspaper Group* and *Southern Daily Newspaper Group* is the unique political environment that each group operates in. There is a consensus among those interviewed that the political climate in Shanghai is tighter than in Guangdong. While the economic environment in Shanghai and Guangdong is relatively open, this does not necessarily translate into greater political openness for both. While Shanghai has an open economy, its political climate is tighter than Guangdong. In contrast, not only is Guangdong open economically, its political environment is also more liberal than Shanghai.

The differences in the political environment of Shanghai and Guangdong can be attributed to their geographical proximity to Beijing (the political capital), their general political orientation, their political significance vis-à-vis Beijing and the role of local leaders. Of these four factors, the two most important are the political significance of the two cities vis-à-vis Beijing and the role of local leaders.

### (a) Geographical Proximity to Beijing

The first major factor affecting the political environment of Shanghai and Guangdong is their geographical proximity to Beijing. The Chinese expression “the mountains are high and the emperor is far away” (山高皇帝远) used to describe central-local relations applies here. Essentially, this means that it becomes correspondingly

harder for Beijing to impose its will at the local level as the distance from the capital widens. Hence, it is easier for Beijing to extend its reach over Shanghai than over Guangdong, which is located further away from the capital. By extension, Shanghai has less political leeway than Guangdong in experimenting with new initiatives.

Indeed, Beijing has used Guangdong as a test-bed for new ideas before they are implemented on a larger scale. This is because the political and socio-economic fall-out from such experiments, if they go awry, can be more easily contained in Guangdong than in Shanghai. The establishment of the Special Economic Zones (SEZs) is an example. Three of the four earliest SEZs, namely, Shenzhen, Zhuhai and Shantou, were in Guangdong. From these four, other development zones soon sprouted up across China.

In addition, Guangdong has been much influenced by Hong Kong's laissez-faire market economy and more open political culture. Undoubtedly, the more liberal, aggressive and investigative reporting style of Hong Kong's media has influenced various media players in Guangdong, including newspaper groups.<sup>139</sup> Most of the time, media players in Guangdong consider media players in Hong Kong as their main rivals rather than Central Television, Beijing's official television news network, or any of their local counterparts. Hence, media players in Guangdong, more than anywhere else in China, face more competing and multi-faceted demands, on the one hand benchmarking

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<sup>139</sup> Interview with an editor with *Southern Weekend*, Guangzhou, 12 May 2005 at 12.00 noon.



themselves against media practices in Hong Kong while on the other trying to meet what official censors expect of them.<sup>140</sup>

(b) Political Orientation

The second element affecting the political environment of Shanghai and Guangdong is the overall political orientation of the two localities. Generally, Shanghai has a more conservative political orientation than Guangdong. Before Deng Xiaoping's open door and reform policy, Shanghai was the bulwark of China's socialism characterized by a strong leftist tendency that was against Western liberalism and market principles. In a show of ideological support and political solidarity with Beijing, the authorities in Shanghai took firm measures to clamp down on student activities spurred on by the 1989 June uprising. Shanghai only effectively began to liberalize its economy after Deng's Southern Tour in 1992 while keeping a tight lid on its political environment.

In contrast, Guangdong has been at the frontline of Deng's open door and reform policy since 1980. The SEZs, as mentioned, was a bold experiment with preferential policies and flexible measures to attract foreign investors. In this way, Guangdong's economy liberalized at a much earlier and faster pace than Shanghai. By the time the newspapers groups were formed in Guangdong in the mid-1990s, market competition had already thrived there for at least 15 years. As a result, the newspaper groups there felt the impact of market forces most intensely and had to respond accordingly to survive.

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<sup>140</sup> Kevin Latham, "Nothing But the Truth: News Media, Power and Hegemony in South China", *The China Quarterly*, no. 163 (September 2000), pp. 633-654.

A related point on Shanghai's more conservative political orientation has to do with the more streamlined administrative arrangement in Shanghai compared to Guangdong. Shanghai is a municipality while Guangdong is a province. As a municipality, the Shanghai municipal government is able to exert tighter and more direct control over the districts and areas under its responsibility. There is essentially only one administrative level in Shanghai. Hence, the two major newspaper groups, namely the *Liberation Daily Newspaper Group* and *Wenhui Xinmin Newspaper Group*, fall under the direct purview of the propaganda authorities at the municipal level. More importantly, according to a senior party official in the *Liberation Daily Newspaper Group*, the local propaganda bureau does not allow the competition between these two groups to get too intense so as to ensure that the party's interest is not completely ignored. Hence, at times, the bureau helps to mediate between the two groups. Given the relatively simple administrative level in Shanghai, it is easier for the local propaganda bureau to control and manage the level of competition so that it does not become too intense.<sup>141</sup>

In contrast, the Guangdong provincial government has to rely on its provincial, city, township and county governmental branches to administer the areas under their charge. Essentially, there is media competition at not one but at least two levels, namely the provincial and city levels. The *Southern Daily Newspaper Group*, a provincial level newspaper group, has to contend with competition not only from the *Guangzhou Daily Newspaper Group* and *Yangcheng Evening Newspaper Group*, both at the Guangzhou

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<sup>141</sup> Interview with a senior party official with *Liberation Daily Newspaper Group*, Shanghai, 20 April 2005 at 10 am.

city level, but also other newspaper groups such as the *Shenzhen Special Zone Newspaper Group*, at the Shenzhen City level. Given the additional administrative levels and newspaper groups involved, it is even more challenging for the local propaganda bureaus, which have their corresponding province and city units, to exert control over the various media players at different administrative levels.

(c) Political Significance

The third element affecting the political environment of Shanghai and Guangdong is the political significance of the two localities vis-à-vis Beijing. Shanghai enjoys a higher level of political significance compared to Guangdong. Shanghai is an important training ground and source of talent for the national leadership in Beijing. Shanghai has groomed many national leaders. Former and present leaders like Jiang Zemin (General Secretary, President, and Chairman of the Central Military Commission), Zhu Rongji (Premier), Zeng Qinghong (Vice President), Wu Bangguo (Chairman, National People's Congress) and Huang Ju (Vice Premier) have had stints in the party and government machinery in Shanghai. All of them were or are members of the Political Bureau Standing Committee, China's highest decision-making body. Also, a seat on the Political Bureau is usually set aside for Shanghai's Party Secretary. Due to Shanghai's importance at the national level, a premium is being placed on political orthodoxy and ideological correctness. It is an unwritten rule that nothing that can seriously go wrong would be allowed in the municipality. As a result, political control is tighter in Shanghai than in Guangdong.

In contrast, the political significance of Guangdong is less than that of Shanghai. To be sure, some local leaders who had served in Guangdong have risen to national leadership in Beijing. One of them is Li Changchun, former Guangdong Party Secretary, now a member of the Political Bureau Standing Committee. Zhang Dejiang, the current Guangdong Party Secretary, is rumored to be slated for a post in the Political Bureau Standing Committee. On the whole, however, the number of national leaders thrown up by Guangdong is less than Shanghai. In this sense, Guangdong political importance is less than Shanghai.

(d) Role of Local Leaders

A fourth element to explain the political environment in Shanghai and Guangdong is the role of local leaders particularly the party secretary, the highest decision-maker. In Shanghai, past and present party secretaries such as Wu Bangguo (1991-1994), Huang Ju (1995-2002) and Chen Liangyu (2002 till October 2006) generally upheld the more conservative orientation of the municipality. The municipality's already tight political environment meant that a premium is placed on maintaining peace and order. By extension, the various media players including the *Liberation Daily Newspaper Group* are fully aware of the seriousness of transgressing reporting parameters and generally abide by them. In this sense, there is little or no discernible difference between the leaders in terms of their approaches to the local media players.

However, in Guangdong, there is much greater variation in the handling of the mass media by local leaders. For example, there is a marked difference in the way the present Party Secretary Zhang Dejiang deals with the mass media compared to his predecessors such as Ren Zhongyi. When Ren was Party Secretary from 1980-1985, he presided over the setting up of the SEZs in Guangdong and earned a reputation as a bold reformer and practical politician.<sup>142</sup> Ren supported a plurality of views, including those expressed by the mass media, as these were then crucial for the success of Deng Xiaoping's reform and open door policy. Even in his latter years, as mentioned in Chapter 3, Ren was among the few who wrote to Party Secretary Zhang Dejiang in 2004 urging that the former leaders of *Southern Metropolitan Daily* be treated justly.

However, since Zhang Dejiang became Guangdong's Party Secretary in November 2002, there has been a noticeable tightening of the political environment. This is due to a number of reasons. Being new to the job then and eager to prove himself, Zhang's priorities were to ensure the continued economic prosperity of the province. The leadership therefore did not take lightly to publications that carried articles perceived as critical of the local leadership. And, as stated in Chapter 3, even before assuming the top post in Guangdong, Zhang was already unhappy with *Southern Weekend's* penchant for highlighting official misdeeds in other provinces including Zhejiang where Zhang was previously Party Secretary.

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<sup>142</sup> When Ren Zhongyi retired, he spoke out in favor of political liberalization and was against official abuse of power. See Zhonggong Yuanlao Ren Zhongyi Yu Zhenggai Aipi (Central Committee Party Elder Ren Zhongyi Calls for Political Reforms but is Criticized), *Zheng Ming*, no. 325, 1 November 2005.

Also, 2003 was the year that Guangdong received much bad press due to the outbreak of SARS, the Sun Zhigang affair and calls for greater political liberalization. Furthermore, 2003 marked the first year of the Fourth Generation leadership under Hu Jintao and emphasis was placed on creating an orderly environment for the new leadership, at both the Beijing and local levels, to stamp its authority. Hence, Zhang Dejiang was determined to rein in the mass media in Guangdong that had embarrassed the local party and government, and even ruffled the feathers of propaganda officials in Beijing. This led to a series of leadership changes at *Southern Metropolitan Daily* and *Southern Weekend*, and the closure of *21<sup>st</sup> Century World Herald*.

As for the most recent punitive measure taken against *New Beijing Daily* in late 2005, this has to do with a general tightening of the political environment at the national level.<sup>143</sup> In tandem with efforts to achieve a more even distribution of wealth to address the growing spate of rural unrests and public grievances, the Beijing leadership is taking a tough stance against elements of society such as journalists, editors, lawyers and academics which it believes have the ability to incite mass action against the party or government through the ideas or views they espouse. In this regard, Yang Bin, *New Beijing Daily*'s Chief Editor, was dismissed because he failed to ensure that the publication behaved in a responsible manner as deemed by the party.

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<sup>143</sup> The political environment in China as a whole was tightened in the second half of 2004. In November 2004, the DOP banned discussions in the mass media on the role of public intellectuals. The ban follows a series of articles on 50 "public intellectuals" including contemporary philosophers, artists, lawyers, economists and media analysts by the *Southern People's Weekly*, a publication under the *Southern Daily Newspaper Group*. See "Curbs on Views of Academics in Media; Ban Reflects Growing Anxiety at Reports on 'Public Intellectuals' Speaking Out", *South China Morning Post*, 22 November 2004.

While the “rebellious” tendencies of certain publications under the *Southern Daily Newspaper Group* may have been dented due to punitive actions taken by authorities in Guangzhou and even Beijing, this does not necessarily mean that henceforth they would toe the reporting line completely and run the risk of losing their appeal in the eyes of readers. They are unlikely to give up their strong selling point so easily and will continue to find ways and means to overcome the hiccups posed by temporary shifts in the political environment. Indeed, some of these publications have continued to test the limits of press freedom.<sup>144</sup> In this sense, the “rebellious” streaks of some publications under the *Southern Daily Newspaper Group* will still stand out from publications under the *Liberation Daily Newspaper Group*.

Among the four elements outlined above that explains the tighter political environment in Shanghai over Guangdong, the two that are most important are Shanghai’s greater political significance vis-à-vis Guangdong and the role of the local leaders. Because of Shanghai’s greater political significance, the city is subject to tighter political control than Guangdong. More significantly is the role of local leaders. In Shanghai, most of the leaders merely carried on maintaining the tight political

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<sup>144</sup> On 12 September 2005, the *Southern Metropolitan Daily* carried a front page article outlining a dispute between residents of Pan Yu district in Guangzhou and the local government in Pan Yu. The residents had carried out non-violent sit-ins outside the Pan Yu government office. This article was published during Premier Wen Jiabao’s visit to Guangdong from 9-13 September 2005 where no mention was made of the Pan Yu dispute. See “Pan Yu Taishicun Shijian, Chunmin Yifa Ba Cungan” (Incident at Tai Shi Village in Pan Yu, Villagers Take Action Against Village Official According to the Law), *Southern Metropolitan Daily*, 12 September 2005.

In another episode, on 20 October 2005, the *Southern Metropolitan Daily* printed a short but critical letter under a pseudonym in the commentaries section on page 2. The letter, only slightly over 500 words in length, lamented that the wish of the famous and deceased Chinese writer Ba Jin to establish a Cultural Revolution Museum has gone unfulfilled. It asserted that forgetting the past by not setting up a Cultural Revolution Museum already amounted to betrayal and that not allowing the latter generation to know what had happened before was tantamount to a double betrayal. See “Jian ‘Wenge’ Bowuguan Shidui Ba Jin Zuihao de Jinian” (Establishing a ‘Cultural Revolution’ Museum is the Best Form of Memory for Ba Jin), *Southern Metropolitan Daily*, 20 October 2005.

environment there. In contrast, the local leaders in Guangdong showed a greater variation in handling publications under the *Southern Daily Newspaper Group*. In fact, most of the punitive measures taken against such publications occurred under present Party Secretary Zhang Dejiang than under his predecessor Ren Zhongyi. Even then, this has not been enough to completely prevent these publications from continuing to test reporting limits. For Guangdong, an additional factor of importance is its proximity to Hong Kong which has exerted a recurring liberal influence on media players in the province.

### **Micro Perspective**

The macro dimension alone is insufficient to explain the difference in strategy mix by the *Southern Daily Newspaper Group* and *Liberation Daily Newspaper Group* to appeal to readers. To arrive at a more comprehensive picture, it is necessary to take into account the micro reasons such as the immediate challenges and constraints facing the two newspaper groups at the time of their establishment and which continue to affect them, the general preference of readers and their talent recruitment strategies.

#### **(a) Different Enduring Vantage Points**

One micro factor behind the difference in strategy mix by the two newspaper groups is that both started off from different political vantage points that continue to affect them. The *Liberation Daily Newspaper Group* has a historical legacy to uphold and build upon. This legacy has much to do with the name “*Liberation Daily*”. Although



formerly launched in Shanghai in May 1949, the *Liberation Daily* had existed earlier. *Liberation Daily* was the CCP Central Committee most influential newspaper in the Yan'an period since 1941, churning out propaganda pieces against the Japanese invaders. After the Japanese surrender in 1945, the *Liberation Daily* went on to mobilize domestic support in the civil war against the Kuomintang government. Top CCP leaders like Mao Zedong, Zhu De, Liu Shaoqi, Zhou Enlai and Ren Bishi contributed commentaries and articles to this daily.<sup>145</sup> By 1949, the Kuomintang government was in retreat.

In late April 1949, to commemorate Shanghai's liberation from the Kuomintang, the use of *Liberation Daily* as a newspaper name was accorded to Shanghai with the approval of the CCP Central Committee and Mao Zedong. This was a milestone in the CCP's war against the Kuomintang. Given the historical significance of this name, and the political importance of Shanghai vis-à-vis Guangdong, the *Liberation Daily Newspaper Group*, when it was launched in 1999, was expected to carry on the proud and illustrious legacy of the CCP. It started out as a serious newspaper group, accountable to the party first and readers second. While this balance has shifted more to readers in recent years, upholding the party's cause remains of utmost importance.<sup>146</sup>

The *Liberation Daily Newspaper Group* in general and *Liberation Daily* in particular therefore operate on a tighter leash than newspapers elsewhere in terms of

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<sup>145</sup> Hu Wenlong, *Zhongguo Xinwen Pinglun Fazhan Yanjiu (Study of Developments in China's News Commentaries)* (Beijing: Zhongguo Renmin Daxue Chubanshe, 2002), pp. 153-163.

<sup>146</sup> Most recently, in 2003, a four-storey memorial house was established in Yan'an by the CCP to display the journalism history of the Chinese revolution, including the role played by the *Liberation Daily* during the wartime years. See "Unique Chinese Journalism Memorial Established in Yan'an", *Xinhua News Agency*, 12 November 2003.

carrying out its duties as a responsible party paper. It was reported that while Jiang Zemin was Shanghai's Mayor in 1987, he called a meeting of "a thousand cadres to publicly denounce a reporter from *Liberation Daily* who had written a mildly critical report about his predilection to micromanage".<sup>147</sup>

Given Shanghai's "historical baggage", the city has been slower than other cities like Guangzhou and Shenzhen to come up with a metropolitan daily that responds to market forces rather than serve mainly as a CCP mouthpiece. While other cities have raced ahead with innovative consumer-oriented publications, Shanghai has languished despite its status as an economic centre and the birthplace of some of the country's oldest and most respected newspapers. The newspaper groups in the city are more known for being followers rather than trend-setters. Increasingly, however, the newspaper groups in Shanghai have tilted more in favor of its readers to stay commercially viable.<sup>148</sup>

While generally playing catch-up with its competitors in other parts of China, within Shanghai municipality, the *Liberation Daily Newspaper Group* enjoys a distinct advantage due to its historical legacy. As indicated in Chapter 2, some of the key publications under the newspaper group enjoy a leading position in terms of retail sales vis-à-vis its immediate competitor, the *Xinmin Wenhui Newspaper Group*. Also, the *Liberation Daily Newspaper Group* has captured the day newspaper market, leaving its *Xinmin* counterpart to have a share of the night newspaper market. The recurring success

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<sup>147</sup> "China-Letting Off Steam: President Jiang Vents Frustrations in a Rare Public Outburst That Points to Bigger Battles Ahead", *Far Eastern Economic Review*, 9 November 2000.

<sup>148</sup> "Shanghai Vies for Media Crown", *South China Morning Post*, 20 April 2003.

of *Liberation Daily Newspaper Group* therefore reinforces its current strategy mix of appealing to readers without the need to cross reporting parameters.

As for the *Southern Daily Newspaper Group*, it faced a different set of political circumstances from its Shanghai counterpart. When the newspaper group was formed in 1998, its publications were trailing behind two more established newspapers group, namely, the *Guangzhou Daily Newspaper Group* and *Yangcheng Evening Newspaper Group*. The *Southern Daily*, the flagship of the *Southern Daily Newspaper Group*, in fact faced declining readership as there was a limit to how interesting its articles could be since it belonged to the Guangdong party committee. Therefore, to survive as a group, it had to rely on its sister publications to carve out a different approach. Deciding on such a strategy was one thing but carrying it out was quite another. The implementation of a more creative and investigative style of reporting was not smooth sailing from the start.<sup>149</sup>

For instance, *Southern Metropolitan Daily* had a dismal circulation rate since it was formed in 1995 and it was not until 1998 that it made a breakthrough with a series of football articles in the lead-up to the World Cup in that year. In 1999, it continued to enjoy rising readership with its gripping articles on real-life issues such as the bountiful lychee harvest in Guangdong, the handbook on Guangzhou's Mass Rapid Transit system, developments in Shenzhen and the election of Stanley Ho as Macau's Chief Executive.<sup>150</sup> It has kept up its pro-reader orientation since. Likewise, *Southern Weekend* has also

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<sup>149</sup> Liu Yong, *Meiti Zhongguo*, p. 161.

<sup>150</sup> Sun Yanjun, *Baoye Zhongguo (Newspaper Industry in China)* (Beijing: Zhongguo Sanxia Chubanshe, 2002), pp. 47-48.

created a niche for itself by disclosing far-flung scandals related to corruption, criminal acts or official abuse of power.

Unlike the *Liberation Daily Newspaper Group*, the *Southern Daily Newspaper Group* could not rely on its Guangdong party committee connection to fend off the intense market competition. In the case of the *Liberation Daily Newspaper Group*, whose very name was conferred by the highest-ranking leader in China and the CCP, staying true to the cause of the party was an asset while it had the luxury of time to develop new ways of appealing to readers. But in the case of the *Southern Daily Newspaper Group*, staying true to the cause of the party with nothing else to offer became a liability and almost spelt its death knell. Hence, the sister publications of the newspaper group were forced by circumstances to quickly devise innovative ways to stay competitive.

Up till today, the *Southern Daily Newspaper Group* continues to face intense competition posed by its immediate competitors, the *Guangzhou Daily Newspaper Group* and *Yangcheng Evening Newspaper Group*. While it is now regarded as a serious competitor by these two newspaper groups, the retail sales of some publications of the *Southern Daily Newspaper Group* still lag behind its other two competitors as mentioned in Chapter 2. Given this constant and intense jostling for market share, it is most likely that the “rebellious” streaks in some of the publications under the *Southern Daily Newspaper Group* will endure despite the occasional tightening of the political climate. This will ensure that the newspaper group keeps up with the competition.

(b) Preference of Readers

Another key factor behind the different strategy mix by the two newspaper groups has to do with the general preference of the readers in the two cities. According to a professor of journalism at Fudan University, the people of Shanghai generally prefer their publications including those belonging to the *Liberation Daily Newspaper Group* to be non-confrontational in terms of their reporting style.<sup>151</sup> Even its other competitor, the *Wenhui Xinmin Newspaper Group* adopts a similar reporting style. The professor explained that in addition to their generally high educational level, the people of Shanghai have an affinity for things which are refined and which convey a subtle message. To a large extent, this affinity affects their perception of how local newspapers ought to report on news. They would prefer publications to exercise tact and maturity in their daily reporting. Taking an extreme position is frowned upon and should be avoided. News directed at embarrassing or shaming an individual or organization is less appreciated.

An Assistant President with the Shanghai Academy of Social Science, a third generation Shanghainese, added that the readers in Shanghai are generally not so interested in news on high-politics unless such news directly impacts their economic well-being.<sup>152</sup> They prefer news that concerns daily life which includes the costs of living,

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<sup>151</sup> Interview with a professor from the Journalism School at Fudan University, Shanghai, 12 April 2005 at 10 am.

<sup>152</sup> Discussion with an Assistant President from Shanghai Academy of Social Science, Singapore, 29 May 2007 at 9.30 am. See also *Zhongguo Wenhua Chanye Niandu Fazhan Baogao (China Cultural Industry Annual Development Report)* (Beijing: Hunan Renmin Chubanshe, 2006), p. 122.

property, entertainment, fashion, health and other consumer-related news. Hence, the popularity of *Shanghai Morning Post*, with its focus on the daily life, and specialized publications like the consumer-oriented *Shanghai Times*, both under the *Liberation Daily Newspaper Group*. Another popular publication is the weekly *Meizhou Guangbo Dianshi* (每周广播电视), a specialized publication that carries the latest news related to broadcasting, television and the cinema. In Chapter 2, it was also highlighted that Shanghai has occupied the top spot among the other provinces in the number of professional newspaper in each of the four years from 2000 – 2003.

A journalist with *Liberation Daily Newspaper Group* mentioned that *Wenhui Xinmin Newspaper Group* has a publication called *The Bund* (外滩画报) with a distinctive focus on big events and hot topics with a view to raising the level of social awareness and promoting social development. Its reporting style involves a somewhat investigative style and unsavory disclosures. The original goal was to start the publication in Shanghai and thereafter increase its circulation to the Yangtze River Delta area covering Jiangsu and Zhejiang, in addition to Shanghai.<sup>153</sup> But so far, the publication has had little success even in Shanghai and is experiencing a decline in circulation. The journalist cited this example to illustrate the general disposition of readers in Shanghai.

But how can we reconcile the image of Shanghai readers today as generally favoring non-political news and their disinclination to controversial reporting with the behavior of radical Shanghainese during the Cultural Revolution? For instance, Elizabeth

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<sup>153</sup> Interview with a journalist with *Shanghai Evening Post*, Shanghai, 20 April at 12.15 pm.

Perry and Li Xun, in their analysis of the labor movement in Shanghai during the Cultural Revolution, have shown its diversity and assertiveness in articulating its political interests. They also mentioned the level of activism displayed by the Red Guards and intellectuals during this period.<sup>154</sup> The description of the general disposition of readers here does not go against the grain of this finding nor does it intend to.

There are two distinct differences between then and now. First, what occurred in Shanghai during the Cultural Revolution took place under conditions of extreme politicization. The Shanghai of today is different from Shanghai during that period.<sup>155</sup> Second, intellectuals in Shanghai and elsewhere during the Cultural Revolution were under the sway of the party and were effectively used as tools (工具) to churn out ideological and political pieces in newspapers and to attack the political enemies of the party. With the end of the Cultural Revolution in 1976, and China's reform and open door policy in the 1980s, the intellectuals gradually broke free from the tight control imposed on them during the Cultural Revolution. They regained some of their intellectual freedom and were no longer so politicized.<sup>156</sup>

On the part of the Shanghai authorities, they have apparently issued specific instructions to the *Liberation Daily Newspaper Group* not to carry articles that might in

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<sup>154</sup> Elizabeth J. Perry and Li Xun, *Proletariat Power: Shanghai in the Cultural Revolution* (Colorado: Westview Press, 1997).

<sup>155</sup> Discussion with an Assistant President from Shanghai Academy of Social Science, Singapore, 29 May 2007 at 9.30 am. Elizabeth Perry and Li Xun also acknowledged this fact. See Elizabeth Perry and Li Xun, *Proletariat Power*, p. 1.

<sup>156</sup> Wei Chengsi, *Zhongguo Zhishi Fenzi de Fuchen (Tribulations of Intellectuals in China)* (New York: Oxford University Press, 2004), pp. 247-271.

any way cause embarrassment to other provinces.<sup>157</sup> The intention is to have the newspaper group focus on events or incidents within its own geographical boundary. This directive is in response to the proclivity of *Southern Weekend* under the *Southern Daily Newspaper Group* to highlight criminal and corruption cases in other provinces except Guangdong where it is based.

As for Guangdong, the readers there are more amenable to a diversity of views including extreme and embarrassing ones. The province is characterized by a large migrant population, a vibrant and open economy willing and eager to experiment with anything that works. There is a prevalent view in Guangdong that the province has a very accommodative culture that welcomes people from all walks of life to settle down there and for ideas to be tested and tried there. In addition, as stated above, Guangdong's proximity to Hong Kong has helped to open the eyes of the population to the degree of media freedom available nearby. All these factors have shaped a political culture in Guangdong that is relatively open compared to Shanghai.

Therefore, publications that do not stand out from the crowd do not get noticed and would probably have to close down. If *Southern Metropolitan Daily* and *Southern Weekend* did not achieve the breakthrough they did in the 1990s, they would not have been able to retain readership or even expand their readership base. The numerous milestones secured by the *Southern Daily Newspaper Group* testify to its ability to balance the needs of the party and more importantly, to meet the demands of readers.

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<sup>157</sup> Interview with a professor from the Journalism School at Fudan University, Shanghai, 12 April 2005 at 10 am.



According to published figures, since the *Southern Daily Newspaper Group* was established in 1998, the advertising revenue of the group has risen by at least 200 million *Yuan* annually. In 2003, the total advertising revenue of the group reached 1.7 billion *Yuan*. In that same year, the advertising revenue of *Southern Daily*, *Southern Weekend*, *Southern Metropolitan Daily* and *21<sup>st</sup> Century Business Herald* exceeded 100 million *Yuan* each. In 2004, *New Beijing Daily* joined the newspaper group's stable of high advertising revenue earners when its advertising revenue exceeded 200 million *Yuan*.<sup>158</sup>

In an evaluation of China's top 500 most valuable brands by the internationally renowned World Brand Laboratory in 2005, the *Southern Daily Newspaper Group* alone had four publications, namely, the *Southern Daily*, *Southern Metropolitan Daily*, *Southern Weekend* and *21<sup>st</sup> Century Business Herald*, out of 45 media brands listed.<sup>159</sup> This was an improvement from the first ever ranking in 2004 where the group had three publications, namely, the *Southern Daily*, *Southern Metropolitan Daily* and *21<sup>st</sup> Century Business Herald*, out of 42 listed media brands.<sup>160</sup> In contrast, no publication from the *Liberation Daily Newspaper Group* was ever listed. Today, the *Southern Daily Newspaper Group* receives numerous delegations from various newspaper groups all over the country eager to learn from its experience. These delegations and the brand recognition by the public of its publications show how the newspaper group is at the forefront in meeting reader's demands and boosting sales.

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<sup>158</sup> Wang Yongliang, *Chuanmei Jingshen: Gaoceng Quanwei Jiedu Chuanmei*, pp. 261-262.

<sup>159</sup> "Nanfang Baoye Sibao Ruxuan Zhongguo Pinpai 500 Qiang, Zonghe Jiazhi Guo 63 Yi" (*Southern Daily Newspaper Group's Four Publications Among China's Top 500 Brands, Overall Value Exceeds 6.3 Billion*), *Southern Daily*, 7 August 2005.

<sup>160</sup> Ding Hegen, *Chuanmei Jingzhengli (Media Competition)* (Shanghai: Fudan Daxue Chubanshe, 2005), p. 294.

(c) Talent Recruitment Strategy

A third reason to explain the different strategy mix of the two newspaper groups lie in how they recruit journalists and editors as a whole. At the *Liberation Daily Newspaper Group*, almost 80 per cent of its journalists and editors are drawn from Fudan University, the leading university in Shanghai and one of the top universities nationwide.<sup>161</sup> The rest are drawn from other universities around the country. Although Fudan University has a journalism school, not all of the recruits are drawn from this field. Recruits are also drawn from other fields such as political science, sociology, law, economics and business administration.

Given the predominant weightage of recruits from Shanghai, it is very likely that these recruits are already imbued with a keen understanding of the political culture of the city, one that supports a subtle and cautious form of reporting rather than a confrontational style. In other words, the majority of recruits are already conditioned by the relatively tight political environment of the city they have lived in and studied for years. Upon joining the *Liberation Daily Newspaper Group*, these recruits are generally able to fit into the political culture of the newspaper group which is quite similar to the political culture of the city. They are less likely to experiment with innovative ways that would challenge the prevailing political culture of the newspaper group and the city.

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<sup>161</sup> Interview with a senior party official with *Liberation Daily Newspaper Group*, Shanghai, 20 April 2005 at 10 am.

On the other hand, the *Southern Daily Newspaper Group* has at the very outset, boldly recruited talent from all over the country. It has the reputation of being the “Whampoa Military Academy”, meaning that it sets the standard for newspaper reporting nationwide and provides the most fertile ground for nurturing talent in the newspaper industry.<sup>162</sup> It is where budding journalists and editors yearn to be to learn the ropes of being a “real” information provider whose foremost duty is to inform the public of latest developments in the most timely and accurate manner. According to Fan Yijin, President of the newspaper group, the group recruits talent from universities in China and not necessarily from top universities like Beijing University, Tsinghua University, Renmin University or Fudan University. As long as the individual has the willingness and ability to contribute, he will be recruited. The President disclosed that although a Chief Editor of one of the publications under the group has only high school education, he was appointed to that post because he could contribute. In another instance, *Southern Metropolitan Daily* hired a farm worker with only high school education as a Deputy Manager of the Distribution Department as he was able to devise a set of distribution procedure which could be imparted to the other staff members and benefit the newspaper group as a whole.<sup>163</sup>

Given the rather liberal and practical way of recruitment of the *Southern Daily Newspaper Group*, and the relatively liberal media environment in Guangdong, it would come as no surprise that the newspaper group is one of the popular organizations for

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<sup>162</sup> The Whampoa Military Academy was founded in June 1924 under the Kuomintang. Its inauguration was on Chengzhou Island offshore from the Whampoa dock in Guangzhou, thus earning its common name. The academy produced many outstanding commanders who fought in the Sino-Japanese War and Chinese Civil War.

<sup>163</sup> Wang Yongliang, *Chuanmei Jingshen: Gaoceng Quanwei Jiedu Chuanmei*, pp. 271-272.

graduates seeking employment. A lecturer in journalism at Guangdong University of Foreign Studies has affirmed that the *Southern Daily Newspaper Group* is recognized as a brand leader in the media industry and a lot of journalism majors like to work for the newspaper group because it is seen as a place that nurtures young journalists. In 2003, 25,000 applicants competed for 200 places with the newspaper group. And this came after a domestic study ranked being a reporter as the third most dangerous career, after coal mining and police work. In 2001, the newspaper group ranked 20<sup>th</sup> in a list of top 500 mainland companies favored by job-hunting graduates.<sup>164</sup>

Another attractive feature of working for the *Southern Daily Newspaper Group* is the relatively high pay that journalists and editors earn compared to their contemporaries in other newspaper groups. Although exact figures are unavailable, the following remarks by a foreign media specialist working in Shanghai highlight this point further.<sup>165</sup> The media specialist recalled that the formation of *New Beijing Daily* required around 200 media personnel to be drawn from the *Southern Metropolitan Daily* to be sent to Beijing to work with their counterparts from *Guangming Daily Newspaper Group*. The 200 media personnel were paid wages much higher than their *Guangming Daily* counterparts. This discrepancy led to a furor among their Beijing counterparts who also began to request that they be paid the same amount but to no avail. In the event, the 200 media personnel retained their high pay much to the chagrin of their Beijing counterparts.

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<sup>164</sup> "Risky News Career Draws Thousands", *South China Morning Post*, 17 December 2003.

<sup>165</sup> Interview with a Singapore Staff of the Singapore Press Holding, Shanghai, 15 April 2005 at 8 pm.

## Conclusion

Both the *Southern Daily Newspaper Group* and *Liberation Daily Newspaper Group* faced unique operating conditions that account for the different strategy mix in appealing to readers, particularly in the former's proclivity to commit reporting infractions as part of this strategy. The factors that explain the unique operating conditions cover the macro and micro perspectives.

At the macro level, it was found that the political environment in Shanghai was generally tighter than in Guangdong. The tighter this environment was, the lesser the newspaper group could resort to committing reporting refractions as a strategy to appeal to readers. Four factors that influenced the political environment in these two localities were examined, namely, their geographical proximity to Beijing, their political orientation, their political significance vis-à-vis Beijing, and the role of local leaders. Of these four factors, the two most important in explaining the more liberal political environment in Guangdong over Shanghai were Guangdong's lesser political significance vis-à-vis Shanghai and the role of its local leaders. Because of Guangdong's lesser political significance, the locality is subject to less stringent political control than Shanghai. More significantly, in Guangdong, the leaders have shown a greater variation in handling reporting infractions by publications of the *Southern Daily Newspaper Group*. Only recently has control been tightened although this development has not completely stopped certain publications under the newspaper group to continue to commit reporting infractions to appeal to readers.

A third macro factor that is more relevant to the *Southern Daily Newspaper Group* is Guangdong's proximity to Hong Kong. This proximity means that media groups in Guangdong including the *Southern Daily Newspaper Group* are required to benchmark themselves against the more liberal and investigative reporting style of the media in Hong Kong to stay commercially viable.

At the micro-level, the three factors that account for the different strategy mix of *Southern Daily Newspaper Group* and *Liberation Daily Newspaper Group* to appeal to readers are the different vantage points of the two newspaper groups (that continue to influence them to this day), their different recruitment strategies, and the preference of readers in Shanghai and Guangdong. Among these three factors, the two most important in explaining the difference in the strategy mix of the two newspaper groups are the different vantage points of the newspaper groups and the preference of readers.

On the different vantage points, the *Southern Daily Newspaper Group* was forced by circumstances to stand out from the intense competition posed by the *Guangzhou Daily Newspaper Group* and *Yangcheng Evening Newspaper Group*. As a latecomer to the newspaper group scene, if *Southern Daily Newspaper Group* had offered more of what its competitors were offering, the going would have been much tougher and could eventually have spelt its commercial demise. Hence, to compete and be noticed by readers, certain publications such as *Southern Metropolitan Daily*, *Southern Weekend*, *21<sup>st</sup> Century World Herald* and *New Beijing Daily* took on an investigative reporting style

that enabled them to carve a market niche. This “rebellious” trademark has come to be associated with the newspaper group and distinguished it from its competitors. In contrast, the *Liberation Daily Newspaper Group* was not required to blaze a trail to appeal to its readers and had the luxury to evolve slowly. Its assets are its illustrious historical legacy and strong party credentials. They have contributed in no small measure to the leading retail sales of its publications vis-à-vis the *Wenhui Xinmin Newspaper Group*.

On the preferences of readers, the *Southern Daily Newspaper Group* has to respond to readers more amenable to news-grabbing disclosures. Given its large migrant population, the readers there are more amenable to a diversity of views and news not confined to Guangdong, including extreme and embarrassing ones. Also, the influence of the more vocal press in Hong Kong on readers’ preference in Guangdong should not be underestimated. In addition, the bolder recruitment strategy of the *Southern Daily Newspaper Group* should be seen as an effort to hire staff that can identify with readers and produce news they want. In contrast, the *Liberation Daily Newspaper Group* has to appeal to a group of readers who generally prefer less confrontational news and news presented in a more subtle manner. The readers also have an affinity for professionally-oriented publications directed at specific market segments. Therefore, the more conservative recruitment strategy of the *Liberation Daily Newspaper Group* should be seen as employing the right group of people to produce news that readers want.

## Chapter 5: Conclusion

This study has examined the central question why the *Southern Daily Newspaper Group* tends to commit more serious reporting infractions than the *Liberation Daily Newspaper Group*. It has hypothesized that the seriousness of the reporting infractions depends on the strategies by the newspaper group towards the need to appeal to readers.

The study has argued that the act of committing reporting infractions is a strategy, among other strategies, used by certain publications under the *Southern Daily Newspaper Group* to appeal to readers. As a result, these publications tend to commit more serious reporting infractions which appear as deliberate acts. Conversely, the publications under the *Liberation Daily Newspaper Group* do not resort to committing reporting infractions as a strategy to appeal to readers. Hence, the reporting infractions they commit are relatively minor and do not come across as a deliberate act.

This chapter will summarize the key findings to this central question, including the reasons why this strategy is used by publications under the *Southern Daily Newspaper Group* and not by publications under the *Liberation Daily Newspaper Group*. It will also show how selective the local propaganda bureaus in Shanghai and Guangdong have been in overseeing and managing the two newspaper groups, particularly in handling reporting infractions committed. It will conclude by showing the contribution of this study to the state-in-society approach.



## Strategies to Appeal to Readers

Faced with intense market competition, the *Southern Daily Newspaper Group* and *Liberation Daily Newspaper Group* can no longer be mere organs of the state, but have to appeal to readers to remain commercially viable. Chapter 2 has identified four strategies commonly used by the two newspaper groups to appeal to readers.

First, the anchor publications, namely, the *Southern Daily* and *Liberation Daily* undergo regular changes in terms of the way they are presented to readers, the contents they carry and the number of pages they have. They also constantly devise innovative products to retain their market share of readers and secure new subscriptions. Second, the sister publications of the two newspaper groups target particular segments of readers. By providing specialized publications, they can provide more in-depth coverage and better meet the demands of readers. Third, both newspaper groups actively tap avenues made available by technological advances in order to stay relevant in the digital age and extend their reach. Fourth, the two newspaper groups would halt publications that fail to appeal to readers and launch new ones to cater to particular segment of readers. While the exact nature of the media products offered to readers may differ, they can generally be grouped into the four broad strategies outlined above.

The most significant difference in the strategy used by the *Southern Daily Newspaper Group* and *Liberation Daily Newspaper Group* to appeal to readers lie in the nature of the reporting infractions they commit. The reality is that both commit reporting

infractions. This fact disabuses the widely held perception that the two newspaper groups, as party-affiliated organizations, operate all the time within reporting parameters set by the local propaganda bureaus. While this may generally be true, we should not be lulled into the mistaken perception that the two newspaper groups do not commit reporting infractions at all. The seriousness of these infractions depends on the strategies by the newspaper group towards the need to appeal to readers.

Chapter 3 has argued that publications under the *Liberation Daily Newspaper Group* are not known to commit reporting infractions as a strategy to appeal to readers. Hence, where there are reporting infractions, they are less serious and do not appear to be a deliberate act. Essentially, the *Liberation Daily* upholds the proud tradition of the CCP while incorporating changes relevant to the times. Its sister publications like *Shanghai Morning Post*, *Shanghai Evening Post*, *Shanghai Times* and *Baokan Wenzhai* are successful with readers without resorting to committing reporting infractions.

Usually, the reporting infractions that arise from time to time are relatively “minor” such as getting the names or designation of local leaders wrong, or using an inappropriate photograph of Chinese leaders in published articles. Very rarely are the tone and content of the articles in its publications aimed at embarrassing or showing up the inadequacies of individuals or organizations. Rather, the articles focus on conveying information in the most readable and even refined manner.

As for the *Southern Daily Newspaper Group*, committing occasional reporting infractions is a strategy used by certain publications like *Southern Metropolitan Daily*, *Southern Weekend*, *21<sup>st</sup> Century World Herald* and *New Beijing Daily* to appeal to readers. Their articles have caused embarrassment and even incurred the wrath of authorities in Guangdong, nearby provinces, and even Beijing. The Sun Zhigang case, SARS episode, on-going demands for political democratization and Dingzhou unrest are but some prominent examples.

In the above examples, the *Southern Metropolitan Daily*, *Southern Weekend*, *21<sup>st</sup> Century World Herald* and *New Beijing Daily* published the controversial articles with the approval of the top management, that is, the Chief Editors, of the respective publications responsible for the daily operations of the publications. This approach is in line with the *Southern Daily Newspaper Group* tradition of being a trend-setter rather than a follower. Only by blazing a trail can the group stand out from its competitors and attract readers.

But the punitive actions taken by the propaganda bureau in Guangdong and the general tightening of the political environment have momentarily made it difficult for some publications under the *Southern Daily Newspaper Group* to continue as before. The issue is whether these publications will henceforth toe the reporting line dutifully and thereby surrender a distinctive characteristic that has set them apart from their competitors. This is unlikely. Instead, some of these publications will continue to find innovative ways to test reporting limits. As mentioned in Chapter 3, in September 2005,

the *Southern Metropolitan Daily* deliberately timed the publication of a front page article on non-violent sit-ins by Pan Yu residents (a district in Guangzhou) outside the Pan Yu government office to coincide with a visit by Premier Wen Jiabao to Guangdong in the same month.<sup>166</sup> The daily got away with this article without any serious political repercussions.

### **Selective Party Control**

In discussing reporting infractions, the role of the local propaganda bureaus in Guangdong and Shanghai that oversee the *Southern Daily Newspaper Group* and *Liberation Daily Newspaper Group* respectively must be included. Are there any discernible differences in the response of the local propaganda bureaus to reporting infractions committed by the two newspaper groups? If so, what are the key differences?

Before elaborating the findings in this section, it is worthwhile to summarize how the *Liberation Daily Newspaper Group* and *Southern Daily Newspaper Group* fit into the overall propaganda framework. As mentioned earlier, the primary institution of control is the DOP and its lower level bodies. More specifically, the two newspaper groups fall under the direct supervision of the local propaganda bureaus in Shanghai municipality and Guangdong province.

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<sup>166</sup> The residents were protesting against the alleged corrupt practices of the Party Secretary of Taishi village in Pan Yu district.

Besides guidelines issued by the DOP, the local propaganda bureaus would issue reporting guidelines too. The frequency of such guidelines depends on situational requirements. According to interviewees in Shanghai and Guangzhou, it is common to receive at least a directive from the local propaganda bureaus daily. Most often, these guidelines would come in the form of instructing the *Liberation Daily Newspaper Group* or *Southern Daily Newspaper Group* to refrain from reporting on a particular incident or event until an official position has been worked out. Other types of guidelines would include exercising caution when reporting or refraining from reporting altogether.

Within each newspaper group, the staff is made aware of what to take note of in their reporting work through internally circulated regulations and regular discussion sessions where staff familiarizes themselves with the party's thinking and policies on various issues. Also, all top personnel, that is, Chief Editors of the publications in the two newspaper groups, are appointed by the party secretary of the newspaper group. This study is unable to conclude which of the two newspaper groups exercises a tighter control over their staff as they not only share the key elements of control but also because not all of the internal processes between local propaganda bureau and the newspaper group and within each of this group is open to study. In any case, this is not a focus of this study and could be an area for future research.

More relevant to the study is the finding that there are unique differences in the way the local propaganda bureaus handle reporting infractions committed by the two newspaper groups. From the perspective of the propaganda authorities, such punitive

actions are necessary and effective because they are highly visible and serve a demonstration effect on other publications to toe the reporting line.

The propaganda bureau in Shanghai is not known to have ever suspended any publication belonging to the *Liberation Daily Newspaper Group*. Neither has any senior official of the group been known to have been detained for questioning, dismissed or imprisoned. To be sure, there have been instances where a journalist or editor is forced to be transferred or step down because of “political mistakes” committed. Even then, such punitive actions usually proceed in a low-key manner and generate little publicity.

In contrast, the propaganda bureau in Guangzhou has suspended the *21<sup>st</sup> Century World Herald* under the *Southern Daily Newspaper Group*. It has also detained, dismissed or imprisoned senior officials of the *Southern Metropolitan Daily* and *Southern Weekend*. Local propaganda officials have also been appointed into the senior management of these publications to tighten political control. The case involving Yu Huafeng and Li Minying, former Deputy Chief Editor and former Editor respectively of the *Southern Metropolitan Daily*, has led to both serving imprisonment terms. As for *New Beijing Daily*, its former Chief Editor Yang Bin, formerly from *Southern Metropolitan Daily*, was forced to surrender his post to someone more amenable to the central authorities in Beijing. Interestingly, the reprisals by the local propaganda bureau have the unintended effect of raising the standing of these publications in the eyes of readers. Readers regard these publications, and particularly the individuals that were punished, as having the gumption to stand up to the propaganda authorities.

The differences in the punitive actions taken by the propaganda bureaus in Shanghai and Guangdong demonstrate that the nature of the control is selective and hinges on the perceived seriousness of the reporting infractions made. Generally, the punitive actions taken against publications under the *Southern Daily Newspaper Group* are more drastic and harsh compared to publications under the *Liberation Daily Newspaper Group*. This is primarily due to the more serious reporting infractions committed by publications under the former.

Another aspect of the selective nature of the control exercised by the local propaganda bureaus is that the punitive actions are taken against specific publications under the two newspaper groups and not the entire group itself. In the case of the *Southern Daily Newspaper Group*, the punitive actions taken by the propaganda bureau in Guangdong is directed at the more outspoken and aggressive publications like *Southern Metropolitan Daily*, *Southern Weekend* and *New Beijing Daily*. Even then, most of the time, it is certain individuals who are targeted and not the entire staff belonging to these two publications. There have also been instances where entire publications have been suspended as had happened to the *21<sup>st</sup> Century World Herald*. Even then, the staff was re-assigned to work elsewhere in other publications under the same group. Similarly, for the *Liberation Daily Newspaper Group*, punitive actions leveled by the propaganda bureau in Shanghai municipality are directed at certain individuals working for the publications under the group and not the entire staff of the publications concerned.

The selective nature of control suggests that the local propaganda bureaus generally finds no fault with the two newspaper groups as a whole, except for how certain publications or individuals within the group report on particular events. It also makes little sense for the local propaganda bureaus to close down entire newspaper groups since they are party-affiliated. Doing so would cause greater embarrassment to the authorities. The intended message which the local propaganda bureaus want to send is that if these “wayward” publications or individuals mend their ways by adhering to the reporting parameters set, then no further punitive actions will be forthcoming.

### **No Single Successful Experience**

It is not the purview of this study to assess whether the *Southern Daily Newspaper Group* is more successful than the *Liberation Daily Newspaper Group* or vice versa in appealing to readers. It would not be fruitful to undertake such an assessment simply because the two newspaper groups face different local socio-economic and even political circumstances. Instead, the study has sought to account for the different strategy mix of the two newspaper groups, particularly why certain publications under the *Southern Daily Newspaper Group* commit reporting infractions as a strategy to appeal to readers.

Chapter 4 has examined and prioritized the macro and micro factors behind the different strategy mix by the two newspaper groups. At the macro level, four factors that influenced the local political environment were examined, namely, their geographical proximity to Beijing, their political orientation, their political significance vis-à-vis



Beijing, and the role of local leaders. Of these four factors, the two most important in explaining the more liberal political environment in Guangdong over Shanghai were Guangdong's lesser political significance vis-à-vis Shanghai and the role of its local leaders.

As a result of Guangdong's lesser political significance, the locality is subject to less stringent political control than Shanghai. More significantly, in Guangdong, the leaders have shown a greater variation in handling reporting infractions by publications under the *Southern Daily Newspaper Group*. Only most recently has such control been tightened as evidenced by the onerous punitive measures taken against some publications under this group. Even then, this is unlikely to completely remove the "rebellious" tendencies of these publications which have been their key selling point. Overall, the political environment in Guangdong is still less tight compared to Shanghai. Another point that is more applicable to Guangdong than Shanghai is the former's proximity to Hong Kong which has led to certain publications of the *Southern Daily Newspaper Group* benchmarking itself against the more liberal and aggressive reporting style of publications in Hong Kong.

At the micro-level, three factors were highlighted to explain the different strategy mix by the two newspaper groups to appeal to readers. They were the different vantage points of the two newspaper groups which continue to influence them, their different recruitment strategies, and the preference of readers in Shanghai and Guangdong. Among

these three factors, the two most important are the different vantage points of the newspaper groups and the preference of readers.

On the different vantage points, the *Southern Daily Newspaper Group* was forced by circumstances to stand out from the intense competition posed by the *Guangzhou Daily Newspaper Group* and *Yangcheng Evening Newspaper Group*. As a latecomer to the newspaper group scene, if *Southern Daily Newspaper Group* had offered more of what its competitors were offering, the going would have been much tougher and could eventually have spelt its commercial demise. Hence, to compete and be noticed by readers, certain publications such as *Southern Metropolitan Daily*, *Southern Weekend*, *21<sup>st</sup> Century World Herald* and *New Beijing Daily* took on an investigative reporting style that enabled them to carve a market niche. This “rebellious” trademark has come to be associated with the newspaper group and helped to distinguish it from its competitors. In contrast, the *Liberation Daily Newspaper Group* was not required to blaze a trail to appeal to its readers and had the luxury to evolve slowly. Its assets are its illustrious historical legacy and strong party credentials which it has continued to tap to its advantage. They have contributed in no small measure to the leading retail sales of its publications vis-à-vis the *Wenhui Xinmin Newspaper Group*.

On the preferences of readers, the *Southern Daily Newspaper Group* has to respond to readers more amenable to news-grabbing disclosures. Given its large migrant population, the readers there are more amenable to a diversity of views and news not confined to Guangdong, including extreme and embarrassing ones. Also, the influence of

the more vocal press in Hong Kong on readers' preference in Guangdong should not be underestimated. In addition, the bolder recruitment strategy of the *Southern Daily Newspaper Group* should be seen as an effort to hire staff, including editors and journalists that can identify with readers and produce news they want. In contrast, the *Liberation Daily Newspaper Group* has to appeal to a group of readers who generally prefer less confrontational news and news presented in a more subtle manner. The readers also have an affinity for professionally-oriented publications directed at specific market segments. In this sense, the more conservative recruitment strategy of the *Liberation Daily Newspaper Group* should also be seen as employing the right group of people to produce news that readers want.

### **Contribution to the State-in-Society Approach**

In the state-in-society approach used in this study, the terms "state" and "society" are broken down into their respective micro elements. The *Southern Daily Newspaper Group* and *Liberation Daily Newspaper Group*, as elements of the state, are foremost required to meet the demands of the party. After they have met this condition can they produce publications that appeal to readers.

The readers here are regarded as a loose-knit collection of individual members of society who are the consumers of the publications by the two newspaper groups. As end-users, readers play an indispensable role in the commercial viability of the two newspaper groups. As shown in Chapter 2, various strategies have been devised to appeal to readers.

In turn, publications that are popular with readers contribute directly to the coffers of the individual publications and overall to the financial standing of the newspaper group. This mutually reinforcing effect strengthens the relationship between the publications and readers.

To be sure, meeting the preferences of readers does not necessarily mean that the two newspaper groups are setting themselves up against the party or are no longer able to fulfill the demands of the party. What is significant from the state-in-society approach is that the line which erstwhile demarcated each of the publications, as elements of the state, on the one hand, and readers, as elements of society, on the other, is being blurred. With their increased stake in society, publications under the two newspaper groups have become more attuned to societal needs on top of meeting the ideological and political requirements of the party. Hence, striking an optimal balance between the demands of the party and the preferences of readers has become more challenging. This was not an issue in the past when publications merely fulfilled a political and ideological function.

The difficulty of striking such a balance can be seen when certain publications under the *Southern Daily Newspaper Group* commit reporting infractions in their efforts to appeal to readers. In doing so, they run afoul of reporting parameters set by the local propaganda bureau in Guangdong, another state element that oversees the newspaper group. While the propaganda bureau still has the means to enforce control if it wants to, it is unlikely to have the final say as these publications will occasionally want to test reporting parameters to distinguish themselves from their competitors and maintain their

standing with readers. In the long-run, this constant tussle between the local propaganda bureau and the errant publications under the *Southern Daily Newspaper Group* will focus renewed attention on the effectiveness of the local propaganda bureau to oversee the newspaper group.

As for publications under the *Liberation Daily Newspaper Group*, it does not appear at the moment that they will follow in the footsteps of the errant publications under the *Southern Daily Newspaper Group* and resort to committing reporting infractions as a strategy to appeal to readers. While there is such a possibility, it is remote at the moment given the unique conditions in Shanghai as stated above. But what is certain is that publications under the *Liberation Daily Newspaper Group* have also strengthened their relationship with readers and this has become an indispensable factor in the conduct of their daily operations. With greater economic prosperity, it is likely that the expectations of readers will rise, including how publications can better meet their demands. Hence, it will become increasingly challenging to strike a balance between the demands of readers and the dictates of the party especially in the future if the demands of readers were to evolve towards an even more liberal orientation and the local propaganda bureau is slow to keep up with the changing needs of society.

An even more significant observation from the state-in-society approach that can be drawn is that due to the increased dependence of publications under the two newspaper groups on readers, it will become increasingly challenging for the local propaganda bureaus to go about its conventional way of imposing control on the

newspaper groups based on fear and fiat. The increasing challenge of imposing control can be viewed at two levels. The first level is that editors and journalists related to the publications that are punished as a result of contravening reporting parameters can have grounds to argue that they are merely producing what readers want and they do not have the intention of challenging the reporting parameters in the first instance. The second level is that individual elements of society may also perceive the punitive measures imposed by the local propaganda bureaus on the editors and journalists as unreasonably harsh and make a case for a lighter sentence or for the sentence to be repealed altogether.

Chapter 3 has provided examples to show the increasing challenge faced by the local propaganda bureau in Guangdong in meting out punishment on individuals working for publications under the *Southern Daily Newspaper Group* who have flouted reporting parameters. They included the petition by supporters of Yu Huafeng and Li Mingyong of *Southern Metropolitan Daily* against the jail sentences imposed on these two individuals as well as the informal strike by staff at *New Beijing Daily* in response to Yang Bin's dismissal. Such acts of defiance were unheard of before and they would not have occurred if publications did not have an increased stake in society.

The implication for the local propaganda bureau in Guangdong is that it will come under increasing public pressure to provide or be seen to provide appropriate justifications for their actions especially those taken ostensibly to punish editors or journalists who flout reporting parameters. If it fails to meet this expectation, it will gradually lose more credibility in the eyes of the editors and journalists and in the eyes of

society. This will ultimately have a long-term impact on its effectiveness to oversee the newspaper group. The local propaganda bureau will therefore need to reform itself in the direction of greater transparency and accountability if it intends to stay relevant to the changing needs of society.

Although there are no known cases of editors or journalists from the *Liberation Daily Newspaper Group* or their supporters who challenge punitive measures meted out by the local propaganda bureau in Shanghai, this does not mean that the bureau there can continue to act with impunity. It is worth bearing in mind that among those who supported the petition against the jail sentences meted out to Yu Huafeng and Li Mingyong of *Southern Metropolitan Daily* were individuals from *Shanghai Evening Post*, a publication of the *Liberation Daily Newspaper Group*.<sup>167</sup> Moreover, with greater affluence, individuals working for publications under the *Liberation Daily Newspaper Group* and members of society are likely to become more aware of their rights and stand up for these rights. It would therefore be reasonable to conclude that given the dependence of publications under the *Liberation Daily Newspaper Group* on readers, the local propaganda bureau would also need to or be seen to act reasonably or fairly in carrying out its responsibilities in general and in response to any publication that flouts reporting parameters in particular. Failure to do so will increase the likelihood of a direct challenge to the punitive measures imposed by the local propaganda bureau in Shanghai in the future, especially if such measures are deemed to be high-handed.

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<sup>167</sup> Other supporters of the petition from Shanghai included those from publications such as *First Financial Daily* and *Shanghai Youth Daily*.

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Liberation Daily Newspaper Group (解放日报报业集团):

- *Baokan Wenzhai* (报刊文摘)
- *Fangdichan Shibao* (房地产时报)
- *Liberation Daily* (解放日报)
- *Metro Express* (I 时代)
- *National Business Daily* (每日经济新闻)
- *Rencai Shichangbao* (人才市场报)
- *Shanghai Evening Post* (新闻晚报)

- *Shanghai Fazhibao* (上海法治报)
- *Shanghai Morning Post* (新闻晨报)
- *Shanghai Students' Post* (上海学生英文报)
- *Shanghai Times* (申江服务导报)
- *Shanghai Xiaoshuo* (上海小说)
- *Zhibu Shenghuo* (支部生活)
- *Zhichang Zhinan* (职场指南)

Ming Pao (明报)

People's Daily (人民日报)

South China Morning Post (南华早报)

Southern Daily Newspaper Group (南方日报报业集团):

- *21<sup>st</sup> Century Business Herald* (21 世纪经济报道)
- *21<sup>st</sup> Century Industry Comments* (21 世纪商业评论)
- *City Pictorial* (城市画报)
- *Mangazine* (名牌)
- *Nanfang Nongcun Bao* (南方农村报)
- *New Beijing Daily* (新京报)
- *Southern Daily* (南方日报)
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General Administration for Press and Publication (<http://www.gapp.gov.cn>)

Liberation Daily Newspaper Group (<http://www.jfdaily.com.cn/>)

People's Daily Website (人民网 or Renminwang) (<http://www.people.com.cn/>)

Radio Free Asia (<http://www.rfa.org/english/>)

Southern Daily Newspaper Group (<http://www.nanfangdaily.com.cn/southnews/>)

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Xinhuanet (新华网) (<http://www.xinhuanet.com/>)

**List of Newspaper Groups Formed Since the mid-1990s**

<b><u>Year/ Month*</u></b>	<b><u>No.</u></b>	<b><u>Name of Newspaper Groups</u></b>
1996 Jan	1	Guangzhou Daily Newspaper Group ( <i>Guangzhou Ribao Baoye Jituan</i> );
1997	0	-
1998 Jun	5	<b>Southern Daily Newspaper Group</b> ( <i>Nanfang Ribao Baoye Jituan</i> ); Yangcheng Evening Newspaper Group; Guangming Daily Newspaper Group ( <i>Guangming Ribao Baoye Jituan</i> ); Jingji Daily Newspaper Group ( <i>Jingji Ribao Baoye Jituan</i> ); Wenhui Xinmin Newspaper Group ( <i>Wenhui Xinmin Lianhe Baoye Jituan</i> , a merger between <i>Xinmin Wanbaoshe</i> and <i>Wenhui Baoshe</i> )
1999 Oct & Dec	10	Beijing Daily Newspaper Group ( <i>Beijing Ribao Baoye Jituan</i> ); <b>Liberation Daily Newspaper Group</b> ( <i>Jiefang Ribao Baoye Jituan</i> ); Sichuan Daily Newspaper Group ( <i>Sichuan Ribao Baoye Jituan</i> ); Zhejiang Daily Newspaper Group ( <i>Zhejiang Ribao Baoye Jituan</i> ); Mass Public Newspaper Group ( <i>Dazong Baoye Jituan</i> ); Liaoning Daily Newspaper Group ( <i>Liaoning Ribao Baoye Jituan</i> ); Shenyang Daily Newspaper Group ( <i>Shenyang Ribao Baoye Jituan</i> ); Henan Daily Newspaper Group ( <i>Henan Ribao Baoye Jituan</i> ); Haerbin Daily Newspaper Group ( <i>Haerbin Ribao Baoye Jituan</i> in Apr 1999); Shenzhen Special Zone Newspaper Group ( <i>Shenzhen Tequ Baoye Jituan</i> in Oct 1999).
2000	0	-
2001 Jun & Jul	10	Hubei Daily Newspaper Group ( <i>Hubei Ribao Baoye Jituan</i> ); Yunnan Daily Newspaper Group ( <i>Yunnan Ribao Baoye Jituan</i> ); Xinhua Daily Newspaper Group ( <i>Xinhua Ribao Baoye Jituan</i> ); Chongqing Daily Newspaper Group ( <i>Chongqing Ribao Baoye Jituan</i> ); Jilin Daily Newspaper Group ( <i>Jilin Ribao Baoye Jituan</i> ); Hebei Daily Newspaper Group ( <i>Hebei Ribao Baoye Jituan</i> ); Hunan Daily Newspaper Group ( <i>Hunan Ribao Baoye Jituan</i> ); Changchun Daily Newspaper Group ( <i>Changchun Ribao Baoye Jituan</i> ); Changsha Daily Newspaper Group ( <i>Changsha Ribao Baoye Jituan</i> ); Hangzhou Daily Newspaper Group ( <i>Hangzhou Ribao Baoye Jituan</i> )
2002 Jun & Dec	13	Anhui Daily Newspaper Group ( <i>Anhui Ribao Baoye Jituan</i> ); Gansu Daily Newspaper Group ( <i>Gansu Ribao Baoye Jituan</i> ); Heilongjiang Daily Newspaper Group ( <i>Heilongjiang Ribao Baoye Jituan</i> ); Tianjin Daily Newspaper Group ( <i>Tianjin Ribao Baoye Jituan</i> ); Hainan Daily Newspaper Group ( <i>Hainan Ribao Baoye Jituan</i> ); Chengdu Daily Newspaper Group ( <i>Chengdu Ribao Baoye Jituan</i> ); Changjiang Daily Newspaper Group ( <i>Changjiang Ribao Baoye Jituan</i> ); Ningbo Daily Newspaper Group ( <i>Ningbo Ribao Baoye Jituan</i> ); Jinan Daily Newspaper Group ( <i>Jinan Ribao Baoye Jituan</i> ); Qingdao Daily Newspaper Group ( <i>Qingdao Ribao Baoye Jituan</i> ); Fujian Daily Newspaper Group ( <i>Fujian Ribao Baoye Jituan</i> ); Shanxi Daily Newspaper Group ( <i>Shanxi Ribao Baoye Jituan</i> ); Nanjing Daily Newspaper Group ( <i>Nanjing Ribao Baoye Jituan</i> )
2003	0	-
2004	0	-
<b>Total</b>	<b>39</b>	

\* indicates the year and month where the newspaper groups were given approval by the Department of Propaganda and the State Press and Publication Administration to be formed.

Source: *Zhongguo Xinwen Nianjian 2004 Nian* (China Journalism Yearbook), pp. 94-97.



**List of Interview Questions (in Shanghai)**

**Primary Questions**

(Explanatory Note: This set of primary questions from 1-7 was shown to the interviewees during the interview to serve as a guide to the discussions. They are nuanced to take into account Chinese sensitivities.)

- 1) 解放日报报业集团在 1999 年末成立的原因是什么? 为什么会在哪个时候成立? (Why was the *Liberation Daily Newspaper Group* formed towards the end of 1999? Why was it formed at that time?)
- 2) 自成立以来, 解放日报报业集团在总印数, 总印张数, 广告额收入跟成立前有什么显著的不同? 往后的发展目标和趋势将会是怎样? 可否提供一些数据以方便做个对比? (Since its formation, how has the *Liberation Daily Newspaper Group* fared in terms of the circulation volume, the number of printed pages and the advertising revenue? What are the newspaper group's future development targets and trend? Please provide relevant figures for comparison?)
- 3) 解放日报和旗下的子报刊的关系如何? 它们之间的关系在日常运作方面是如何表现的? 是否可从报社经营管理方面, 用人制度方面, 分配方式, 报纸定位等四个角度来介绍这个问题? (What is the nature of the relationship between the *Liberation Daily* and its sister publications? How is this relationship manifested on a daily basis? Please share your views from the perspectives of business management, use of manpower, rewards system and the positioning of each publication.)
- 4) 自从实行自负盈亏的政策以来, 解放日报报业集团采取了怎样的具体措施来面对市场经济的严峻挑战? 是否可以从如下两个层次来介绍一下 (Since being accountable for your own profit and loss, what strategies have the *Liberation Daily Newspaper Group* undertaken to cope with the intense market competition? Can we look at this issue from the following two levels):
  - (a) 解放日报一方面是如何继续成功的扮演执政党的有效舆论引导者, 而另一方面又如何吸引更多的读者? (How does the *Liberation Daily* continue to successfully fulfill its role as an effective ideological guide of the party on the one hand and perform its role of attracting more readers on the other?)
  - (b) 旗下子报刊是如何一方面吸引更多的读者, 而另一方面继续维护和遵守党的重要方针和指示? (How do the sister publications attract more readers on the one hand and continue to uphold and adhere to important directions and guidelines issued by the party?)

- 5) 是否能举些具体例子来解释解放日报和旗下子报刊怎样依托上海市委机关报的政治优势，多出独家新闻，多出必读新闻，避开同质化的竞争，突出自己的优势？(Please provide instances of how the *Liberation Daily* and its sister publications capitalize on its ties to the Shanghai municipal party committee to come up with more exclusive news, news which readers must read, news that avoid unnecessary duplication and news that highlight individual publication's strong points?)
- 6) 请解释解放日报报业集团和当地负责媒体的党和政府有关机构的日常运作关系？在怎样情况下当地官方媒体机构可以介入报社的事务？(Please explain the nature of the relationship that exists between the *Liberation Daily Newspaper Group* and the relevant party and government bodies at the local level that oversee the newspaper group on a daily basis? Under what circumstances can these local bodies intervene in the affairs of the newspaper group?)
- 7) 回顾解放日报报业集团成立六年多以来，有什么地方是值得其他报业集团借鉴的，有什么地方是能做得更好的？请你谈谈这个问题。(In reviewing the past six years since the *Liberation Daily Newspaper Group* was formed, what would you consider are the areas that other newspaper groups can learn from and what are the areas that the newspaper group itself can improve upon? Please elaborate on this issue.)

#### Supplementary Questions

(Explanatory Note: This set of supplementary questions from 8-10, which are more sensitive, were not shown to the interviewees. They were only verbalized during the course of the interview)

- 8) 根据有关数据，解放日报的读者群有逐步下跌的趋势。请解释解放日报已经采取怎样的措施来面对这项挑战？(According to available statistics, the readership of the *Liberation Daily* has declined over the years. What measures has the daily introduced to meet this challenge?)
- 9) 请解释在怎么样的情况下解放日报和旗下的子报刊会触犯了当地负责媒体的党和政府有关机构所例下的条规？是否能举具体例子说明？(Please explain under what circumstances would the *Liberation Daily* and its sister publications run afoul of reporting guidelines set by the local party and government bodies responsible for overseeing them? Please elaborate with examples?)
- 10) 如果解放日报和旗下的子报刊触犯了现有的条规，他们将面对怎样的惩罚？请举例加以说明？(Should the *Liberation Daily* and its sister publications run afoul of existing reporting guidelines, what kind of punitive action can be expected to be taken against them? Please elaborate with examples.)

## **List of Interview Questions (in Guangzhou)**

### **Primary Questions**

(Explanatory Note: This set of primary questions from 1-7 was shown to the interviewees during the interview to serve as a guide to the discussions. They are nuanced to take into account Chinese sensitivities.)

- 1) 南方日报报业集团在 1998 年中成立的原因是什么? 为什么会在哪个时候成立? (Why was the *Southern Daily Newspaper Group* formed in mid 1998? Why was it formed at that time?)
- 2) 自成立以来, 南方日报报业集团在总印数, 总印张数, 广告额收入跟成立前有什么显著的不同? 往后的发展目标和趋势将会是怎样? 可否提供一些数据以方便做个对比? (Since its formation, how has the *Southern Daily Newspaper Group* fared in terms of the circulation volume, the number of printed pages and the advertising revenue? What are the newspaper group's future targets and direction? Please provide relevant figures for comparison?)
- 3) 南方日报和旗下的子报刊的关系如何? 它们之间的关系在日常运作方面是如何表现的? 是否可从报社经营管理方面, 用人制度方面, 分配方式, 报纸定位等四个角度来介绍这个问题? (What is the nature of the relationship between the *Southern Daily* and its sister publications? How is this relationship manifested on a daily basis? Please share your views from the perspectives of business management, use of manpower, rewards system and the positioning of each publication.)
- 4) 自从实行自负盈亏的政策以来, 南方日报报业集团采取了怎样的具体措施来面对市场经济的严峻挑战? 是否可以从如下两个层次来介绍一下 (Since being accountable for your own profit and loss, what strategies have the *Southern Daily Newspaper Group* undertaken to cope with the intense market competition? Can we look at this issue from the following two levels):
  - (a) 南方日报一方面是如何继续成功的扮演执政党的有效舆论引导者, 而另一方面又如何吸引更多的读者? (How does the *Southern Daily* continue to successfully fulfill its role as an effective ideological guide of the party on the one hand and perform its role of attracting more readers on the other?)
  - (b) 旗下子报刊是如何一方面吸引更多的读者, 而另一方面继续维护和遵守党的重要方针和指示? (How do the sister publications attract more readers on the one hand and continue to uphold and adhere to important directions and guidelines issued by the party?)

- 5) 是否能举些具体例子来解释南方日报和旗下子报刊怎样依托省委机关报的政治优势，多出独家新闻，多出必读新闻，避开同质化的竞争，突出自己的优势？(Please provide instances of how the *Southern Daily* and its sister publications capitalize on its ties to the provincial party committee to come up with more exclusive news, news which readers must read, news that avoid unnecessary duplication and news that highlight individual publication's strong points?)
- 6) 请解释南方日报报业集团和当地负责媒体的党和政府有关机构的日常运作关系？在怎样情况下当地官方媒体机构可以介入报社的事务？(Please explain the nature of the relationship that exists between the *Southern Daily Newspaper Group* and the relevant party and government bodies at the local level that oversee the newspaper group on a daily basis? Under what circumstances can these local bodies intervene in the affairs of the newspaper group?)
- 7) 回顾南方日报报业集团成立将近七年以来，有什么地方是值得其他报业集团借鉴的，有什么地方是能做得更好的？请你谈谈这个问题。(In reviewing the almost seven years since the *Southern Daily Newspaper Group* was formed, what would you consider are the areas that other newspaper groups can learn from and what are the areas that the newspaper group itself can improve upon? Please elaborate on this issue.)

#### Supplementary Questions

(Explanatory Note: This set of supplementary questions from 8-10, which are more sensitive, were not shown to the interviewees. They were only verbalized during the course of the interview)

- 8) 根据有关数据，南方日报的读者群有逐步下跌的趋势。请解释南方日报已经采取怎样的措施来面对这项挑战？(According to available statistics, the readership of the *Southern Daily* has declined over the years. What measures has the daily introduced to meet this challenge?)
- 9) 请解释在怎么样的情况下南方日报和旗下的子报刊会触犯了当地负责媒体的党和政府有关机构所例下的条规？是否能举具体例子说明？(Please explain under what circumstances would the *Southern Daily* and its sister publications run afoul of reporting guidelines set by the local party and government bodies responsible for overseeing them? Please elaborate with examples?)
- 10) 如果南方日报和旗下的子报刊触犯了现有的条规，他们将面对怎样的惩罚？请举例加以说明？(Should the *Southern Daily* and its sister publications run afoul of existing reporting guidelines, what kind of punitive action can be expected to be taken against them? Please elaborate with examples.)

**Growth Trend of Newspapers and Periodicals (1950s-2003)**

<b><u>Newspapers</u></b>			<b><u>Periodicals</u></b>	
<b><u>Year</u></b>	<b><u>Total (% change)</u></b>	<b><u>Published Volume (billion)</u></b>	<b><u>Total (% change)</u></b>	<b><u>Published Volume (billion)</u></b>
1950	382	-	-	-
1951	390	-	-	-
1952	296	1.61	354	0.2
1953	265	1.67	295	0.17
1954	253	1.71	304	0.21
1955	285	1.95	370	0.29
1956	347	2.61	484	0.55
1957	364	2.44	634	0.32
1958	491	3.91	822	0.53
1959	463	4.9	851	0.53
1960	396	5.1	442	0.47
1961	260	3.08	410	0.23
1962	273	2.58	483	0.2
1963	289	3.3	861	0.23
1964	329	4.1	856	0.35
1965	343	4.74	790	0.44
1966	49	3.67	191	0.23
1967	43	3.49	27	0.09
1968	42	3.58	22	0.03
1969	42	4.11	20	0.05
1970	42	4.56	21	0.07
1971	195	8.4	72	0.16
1972	185	9.76	194 (169.0)	0.23
1973	192	10.05	320 (64.9)	0.32
1974	189	10.14	382 (19.4)	0.4
1975	180	10.97	476 (24.6)	0.44
1976	182	12.43	542 (13.9)	0.56
1977	180	12.37	628 (15.9)	0.56
1978	186	12.78	930 (48.1)	0.76
1979	69*	13.08	1470 (58.1)	1.18
1980	188	14.04	2191 (49.0)	1.13
1981	485 (158.0)	15.93	2801 (27.8)	1.46
1982	606 (24.9)	16.64	3100 (10.7)	1.51
1983	773 (27.6)	18.7	3415 (10.2)	1.77
1984	1014 (31.2)	22.0	3907 (14.4)	2.18

1985	1445 (42.5)	24.7	4705 (20.4)	2.56
1986	1574 (8.9)	24.3	5248 (11.5)	2.4
1987	1611 (2.4)	26.5	5687 (8.4)	2.59
1988	1537 (-4.6)	26.8	5865 (3.1)	2.55
1989	1576 (2.5)	20.7	6078 (3.6)	1.84
1990	1444 (-8.4)	21.1	5751 (-5.4)	1.79
1991	1524 (5.5)	23.7	6056 (5.3)	2.06
1992	1657 (8.7)	25.79	6486 (7.1)	2.36
1993	1788 (7.9)	26.38	7011 (8.1)	2.35
1994	1953 (9.2)	25.32	7325 (4.5)	2.21
1995	2089 (7.0)	26.33	7583 (3.5)	2.34
1996	2163 (3.5)	27.43	7916 (4.4)	2.31
1997	2149 (-0.7)	28.76	7918 (0.02)	2.44
1998	2053 (-4.5)	30.03	7999 (1.0)	2.54
1999	2038 (0.7)	31.84	8187 (2.4)	2.85
2000	2007 (-1.5)	32.9	8725 (6.6)	2.94
2001	2111 (5.2)	35.1	8889 (1.9)	2.89
2002	2137 (1.2)	36.78	9029 (1.6)	2.95
2003	2119 (-0.8)	38.3	9074 (0.5)	2.95

Legend: \* denotes incomplete figure.

Source: *Zhongguo Xinwen Nianjian (China Journalism Yearbook)*, various issues.

**Growth Trend of General and Professional Newspapers**

<u>Year</u>	<u>General Newspapers</u> <u>(综合报纸)</u>			<u>Professional Newspapers</u> <u>(专业报纸)</u>			<u>Total No. of</u> <u>Newspapers</u>
	Central	Local		Central	Local		
1999	37	949 (top five locations below plus Shanghai)		174	878 (top six locations below)		2038
		Xinjiang (1 <sup>st</sup> )	66		Sichuan (1 <sup>st</sup> )	62	
		Guangdong (2 <sup>nd</sup> )	63		Shanghai (2 <sup>nd</sup> )	58	
		Jiangsu (3 <sup>rd</sup> )	62		Hebei (3 <sup>rd</sup> )	54	
		Zhejiang (4 <sup>th</sup> )	51		Guangdong (4 <sup>th</sup> )	50	
		Shandong (5 <sup>th</sup> )	48		Shangdong (5 <sup>th</sup> )	44	
		Shanghai (24 <sup>th</sup> )	17		Henan (6 <sup>th</sup> )	44	
2000	38	1009 (top five locations below plus Shanghai)		168	792 (top six locations below)		2007
		Xinjiang (1 <sup>st</sup> )	64		Shanghai (1 <sup>st</sup> )	54	
		Guangdong (2 <sup>nd</sup> )	63		Shandong (2 <sup>nd</sup> )	47	
		Jiangsu (3 <sup>rd</sup> )	60		Henan (3 <sup>rd</sup> )	44	
		Zhejiang (4 <sup>th</sup> )	58		Sichuan (4 <sup>th</sup> )	40	
		Hubei (5 <sup>th</sup> )	57		Guangdong (5 <sup>th</sup> )	38	
		Shanghai (24 <sup>th</sup> )	18		Liaoning (6 <sup>th</sup> )	38	
2001	44	1120 (top five locations below plus Shanghai)		166	781 (top six locations below)		2111
		Guangdong (1 <sup>st</sup> )	80		Shanghai (1 <sup>st</sup> )	53	
		Hubei (2 <sup>nd</sup> )	72		Shangdong (2 <sup>nd</sup> )	48	
		Jiangsu (3 <sup>rd</sup> )	69		Henan (3 <sup>rd</sup> )	46	
		Xinjiang (4 <sup>th</sup> )	65		Sichuan (4 <sup>th</sup> )	42	
		Shandong (5th)	60		Guangdong (5 <sup>th</sup> )	40	
		Shanghai (24 <sup>th</sup> )	21		Liaoning (6 <sup>th</sup> )	39	
2002	45	1176 (top five locations below plus Shanghai)		167	749 (top six locations below)		2137
		Guangdong (1 <sup>st</sup> )	89		Shanghai (1 <sup>st</sup> )	50	
		Hubei (2 <sup>nd</sup> )	69		Henan (2 <sup>nd</sup> )	47	
		Jiangsu (3 <sup>rd</sup> )	68		Shandong (3 <sup>rd</sup> )	42	
		Xinjiang (4 <sup>th</sup> )	67		Sichuan (4 <sup>th</sup> )	42	
		Shandong (5 <sup>th</sup> )	63		Liaoning (5 <sup>th</sup> )	40	
		Shanghai (24 <sup>th</sup> )	22		Guangdong (6 <sup>th</sup> )	37	

2003	46	1157 (top five locations below plus Shanghai)		167	749 (top seven locations below)		2119
		<b>Guangdong (1<sup>st</sup>)</b>	93		<b>Shanghai (1<sup>st</sup>)</b>	47	
		Hubei (2 <sup>nd</sup> )	70		Henan (2 <sup>nd</sup> )	46	
		Jiangsu (3 <sup>rd</sup> )	67		Shandong (3 <sup>rd</sup> )	44	
		Xinjiang (4 <sup>th</sup> )	66		Sichuan (4 <sup>th</sup> )	42	
		Shandong (5 <sup>th</sup> )	62		Liaoning (5 <sup>th</sup> )	40	
		<b>Shanghai (23<sup>th</sup>)</b>	24		Heilongjiang (6 <sup>th</sup> )	36	
					<b>Guangdong (7<sup>th</sup>)</b>	35	

Source: *Zhongguo Xinwen Nianjian (China Journalism Yearbook) 2000, 2001, 2002, 2003 and 2004.*



**Distribution of Newspapers According to Administrative Levels**

<b><u>Year</u></b>	<b><u>Total No. of Newspapers</u></b>	<b><u>National level Newspapers</u></b> (全国性报纸)	<b><u>Provincial level Newspaper*</u></b> (省级报纸)	<b><u>Locale and City level Newspaper</u></b> (地、市级报纸)	<b><u>County level Newspaper</u></b> (县级报纸)
1992	1657	-	-		
1993	1788	134 (6.95)	1654 (19.43)		
1994	1953	194 (6.26)	1759 (19.06)		
1995	2089	205 (-)	1884 (-)		
1996	2163	206 (6.25)	1957 (21.18)		
1997	2149	206 (6.46)	1943 (22.3)		
1998	2053	211 (6.46)	1842		
			824 (13.14)	858 (9.66)	160 (0.78)
1999	2038	211 (6.33)	1827		
			813 (14.27)	873 (10.55)	141 (0.68)
2000	2007	206 (5.97)	1801		
			798 (15.17)	841 (11.02)	162 (0.77)
2001	2111	210 (5.96)	1901		
			782 (16.72)	882 (11.55)	237 (0.88)
2002	2137	212 (5.94)	1925		
			771 (18.06)	893 (11.81)	261 (0.97)
2003	2119	213 (6.06)	1906		
			766 (18.97)	898 (12.3)	242 (0.99)

**Legend:** \* Includes newspapers at the provincial, autonomous region and municipality levels.  
 ( ) Figures in parenthesis above indicate circulation volume in billion terms.

**Source:** *Zhongguo Xinwen Nianjian (China Journalism Yearbook)*, various issues.

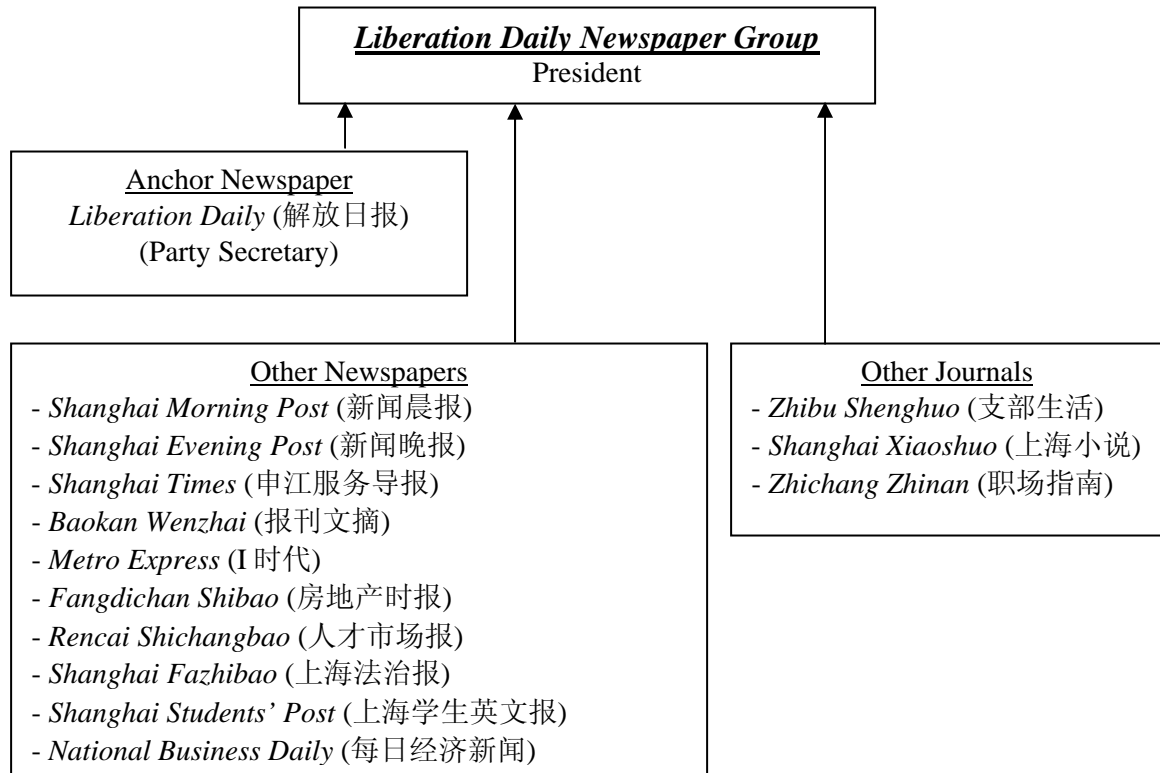
**Share of Total Advertising Revenue of Four Main Media Channels,**  
**1994 - 2003**

(Figures in parentheses indicate percentage of total advertising revenue)

<b>Year</b>	<b>Total advertising revenue in billion <i>Yuan</i></b>	<b>Newspaper advertising revenue in billion <i>Yuan</i> (% of total)</b>	<b>Television advertising revenue in billion <i>Yuan</i> (% of total)</b>	<b>Broadcasting advertising revenue in billion <i>Yuan</i> (% of total)</b>	<b>Periodicals advertising revenue in billion <i>Yuan</i> (% of total)</b>	<b>Others in billion <i>Yuan</i> (% of total)</b>
1994	20.03	5.05 (25.2)	4.48 (22.4)	0.5 (2.5)	0.4 (2.0)	9.61 (47.9)
1995	27.33	6.47 (23.7)	6.5 (23.8)	0.74 (2.7)	0.38 (1.4)	13.24 (48.4)
1996	36.66	7.77 (21.2)	9.08 (24.8)	0.87 (2.4)	0.56 (1.5)	18.38 (50.6)
1997	46.2	9.68 (21.0)	11.44 (24.8)	1.06 (2.3)	0.53 (1.1)	23.49 (50.8)
1998	53.78	10.44 (19.4)	13.56 (25.2)	1.33 (2.5)	0.71 (1.3)	27.74 (51.6)
1999	62.21	11.23 (18.1)	15.62 (25.1)	1.25 (2.0)	0.89 (1.4)	33.21 (53.4)
2000	71.27	14.65 (20.6)	16.89 (23.7)	1.52 (2.1)	1.13 (1.6)	37.08 (52)
2001	79.49	15.77 (19.8)	17.94 (22.6)	1.83 (2.3)	1.19 (1.5)	42.76 (53.8)
2002	90.32	18.85 (20.9)	23.1 (25.6)	2.19 (2.4)	1.52 (1.7)	44.66 (49.4)
2003	107.87	24.3 (22.5)	25.5 (23.6)	2.56 (2.4)	2.44 (2.3)	53.07 (49.2)

Sources: Wu Guoguang, "One Head, Many Mouths: Diversifying Press Structures in Reform China", in Chin-Chuan Lee (ed.), *Power, Money and Media: Communication Patterns and Bureaucratic Control in Cultural China* (Evanston, Illinois: Northwestern University Press, 2000), p. 58; and *Zhongguo Xinwen Nianjian (China Journalism Yearbook)*, various issues.

Publications under the *Liberation Daily Newspaper Group*



**Publications under the Southern Daily Newspaper Group**

